

1237

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE
VOLUME 13

4

IN RE: IN THE MATTER OF :
5 THE INTEGRATED RESOURCE :
PLANNING FOR THE PROVISION OF :
6 STANDARD OFFER SUPPLY SERVICE :
BY DELMARVA POWER & LIGHT :
7 COMPANY UNDER 26 DEL. C. \$\$:
1007 (c) & (d); REVIEW AND :
8 APPROVAL OF THE REQUEST FOR :
PROPOSALS FOR THE CONSTRUCTION :
9 OF NEW GENERATION RESOURCES :
UNDER 26 DEL. C. \$\$ 1007 (d) :
10 (OPENED JULY 25, 2006) :

11 Public Service Commission hearing taken
pursuant to notice before Robert Wayne Wilcox, Jr.,
12 Registered Professional Reporter and Notary Public, at
Delaware Technical & Community College, Owens Campus
13 Theater, Route 18, Georgetown, Delaware, on Monday,
March 13, 2007, beginning at approximately 7:00 p.m.,
14 there being present:

15 APPEARANCES:

16 On behalf of the Public Service Commission:
WILLIAM F. O'BRIEN, ESQ., Hearing Examiner
17 ARNETTA MC RAE, Chair
JOANN CONAWAY, Commissioner
18 JAYMES B. LESTER, Commissioner
JEFFREY CLARK, Commissioner
19 BRUCE H. BURKAT, Executive Director

20

21

CORBETT & WILCOX

22 230 North Market Street - Wilmington, Delaware 19801
(302) 571-0510

23

Corbett & Wilcox is not affiliated
24 with Wilcox & Fetzer, Court Reporters

1238

1 APPEARANCES (CONT'D):

2 On behalf of the Public Service Commission Staff:
JAMES MC C. GEDDES, ESQUIRE

3 ROBERT HOWATT

4 On behalf of the Public Advocate:
BO SHEN, PH. D.

5
On behalf of Delmarva Power & Light Company:
6 MARK FINFROCK

7 - - - - -

8 THE HEARING OFFICER: We are on the
9 record. It's a little bit after 7:00 now. I want to get
10 started so that everybody who wishes to speak will get a
11 chance to speak and we can get out of here at the
12 allotted time, which is from 7:00 to 10:00. But I do
13 want to encourage you to continue to sign up, if you
14 haven't signed up yet. And if anybody new comes in,
15 perhaps I'll make that announcement later. I'd like you
16 to sign up whether or not you're planning on speaking,
17 and you can indicate on the sign-in sheet whether you're
18 going to speak or not.

19 All right. I am William O'Brien. This
20 is the public comment session/town hall meeting for the
21 Commission's RFP Docket 06-241. Most of you, I'm sure,
22 know the gist of what this case is about. And I'm going
23 to get the public comment as soon as I can. But first
24 let me just make some announcements and introductions.

1239

1 To my right is Robert Howatt. He's the
2 case manager for Commission staff in this case, and he
3 will be presenting the results of the evaluation report
4 which was written up by staff's independent consultant.
5 To my left is Mark Finfrock. He will be presenting the
6 results from the evaluation report performed by Delmarva
7 Power & Light, and he will be giving a brief presentation
8 presenting those results for those of you who haven't had
9 a chance to read the reports that are on our website.
10 Then we will get the public comment.

11 Before we do that I would just like to
12 announce the presence of Bruce Burkat, the executive
13 director of the Public Service Commission.

14 I don't believe I stated -- this session
15 is being sponsored by four state agencies. And those are
16 the four agencies that are tasked by the General Assembly

17 with making the decision in this case. And on behalf of
18 the energy office, which is part of DNREC, we have Phil
19 Cherry here tonight. And on behalf of the Commission,
20 which is one of the four state agencies, we have the
21 chair, Arnetta McRae, Jeffrey Clark, Joann Conaway and
22 Jay Lester. From the Division of the Public Advocate,
23 we've got Dr. Bo Shen. And then we also have a state
24 senator from Sussex County here, Gary Simpson.

1240

1 Now I'm going to go ahead and turn it
2 over to Mr. Howatt to present the evaluation report from
3 staff's independent consultant.

4 MR. HOWATT: Thank you, Your Honor.

5 A lot of you have probably seen this
6 presentation many more times than you wish to; however,
7 this will be at least the third time that you'll get the
8 opportunity to hear about this presentation. There are
9 copies of this presentation down here. If you don't have
10 a copy, you can certainly pick one up before you leave.

11 I'd like to again go on the record as
12 thanking all of the generators for their bids. I think
13 they are certainly serious about the process and -- as we
14 are serious about the process of evaluating the bids.
15 And I think it's very important that people recognize
16 that a lot of time, effort and dollars went into these
17 various bids from the generators.

18 I would also like to thank the public
19 for showing up and giving us their thoughts and their
20 concerns. Although we've only been through two public
21 workshops to this point, there's been a lot of comment in
22 the background that says, you know, I learned a lot from
23 some of the topics and some of the presentations that
24 have been made at these sessions. So I think these

1241

1 public sessions are very worthwhile.

2 If you haven't had a chance to read the
3 report, the report is on the PSC website. You can also
4 find the summary slides as well on the PSC website. And
5 I'm going to slip right through these. There's 18
6 slides. And I'm not even going to talk about all of
7 them.

8 I'm going to talk about -- you've
9 probably read in the newspapers pretty much what this is

10 all about. It's the generation proposals. And we have
11 three proposals: One from Conectiv for a gas turbine;
12 one from Bluewater Wind for the windmill farm in the
13 Atlantic; and an NRG IGCC plant.

14 If you turn to Slide 3 -- well, the
15 first thing we specified in Slide 3 is the order of the
16 bids from the independent consultant's report. Although
17 the numbers differ slightly in point evaluation, the
18 order -- the ranked order of the bids is the same that
19 Delmarva and Delmarva's consultant came up with.

20 The project scoring the highest number
21 of points was Conectiv with sixteen-point -- 68.9 points.
22 And that was an alternate bid which basically used the
23 gas-peaking unit as a -- as a peaking -- the gas turbine
24 as a peaking unit with energy supplied from other sources
1242

1 on the grid. Bluewater was the next one. They scored,
2 depending on which project you look at -- they submitted
3 several proposals. They scored anywhere from 47.7 points
4 to 57 points. And lastly, the NRG proposal. And it
5 scored 24.8 to 23.8, depending on which proposal you look
6 at.

7 Delmarva -- and I don't intend to speak
8 for Delmarva. But Delmarva has suggested that all the
9 bids should be rejected because they're above market
10 price.

11 One of the things I want to be very
12 clear about is that the state agencies and the Commission
13 have made no considerations or made any recommendations
14 or adopted any position at this point in time. We
15 believe that there should be further analysis of the
16 bids. We believe that analysis needs to look at other
17 opportunities for supply.

18 And we believe that will happen in an
19 interim report that we asked our consultant to do by
20 April 4th of '07. And when that interim report is
21 complete, it will also be posted on the website. And you
22 will have opportunity again for public comment on that
23 report. And we hope that you will feel free to give us
24 your thoughts on that -- on those issues that are raised
1243

1 in that report. It should hopefully put in perspective
2 the generation units with other sources of supply, such

3 as long-term bilateral contracts or demand response,
4 energy efficiency -- many of the other things that are
5 out there that can help eliminate some of our supply
6 problems.

7 On page 4, which I've almost pretty much
8 talked about, the Bluewater project description: It was
9 just four proposals. And it was two in the Atlantic
10 North, two in the Atlantic South. And it's 600 megawatts
11 and 400 megawatts for different various time -- 20 to 25
12 years.

13 The Conectiv project was the 177
14 megawatt natural gas combined cycle on Slide 5. And they
15 gave us a base proposal of that unit contingent sale as
16 well as the alternate proposal, which was the one that
17 scored best for them.

18 And NRG provided a bid with a 600
19 megawatt integrated gasification/combined cycle plan.
20 They basically would have allowed us to take four -- up
21 to 400 megawatts. 280 megawatts would be sold on a must
22 take basis and 120 megawatts would be a virtual turn down
23 or something along the signs of a dispatch arrangement.

24 On Slide 7 I want to talk for one second
1244

1 about the economic evaluation framework. One of the
2 things you have to realize is there's lots of numbers
3 floating around on these proposals. The evaluation was
4 done on the basis of capacity and energy charges only.
5 There are lots of other charges that go into your supply
6 at this point in time.

7 If you're familiar with any bills you
8 have from Delmarva, you've probably seen your supply
9 prices in the neighborhood of 11.1 cents, 10 and a half.
10 It's an average number of 11.1 cents for supply. That
11 number includes a retail supplier premium. It also
12 includes the supplier meeting the load curve. It's a
13 full requirement contract, which is different than a unit
14 contingent contract. The suppliers have volumetric risk.
15 They also have to pay for ancillaries, bad debt. And
16 there's also a reasonable allowance for retail margin.
17 So there's a lot of things that are in that 11.1 cents
18 that were not in this bid evaluation.

19 Now, when you look at this bid
20 evaluation, you're looking at the wholesale and energy

21 and capacity. And that's where we're talking about
22 numbers like \$86 and \$90 and \$100 dollars. So that's
23 just strictly in terms of energy and capacity.

24 Now, I've also heard in the newspapers
1245

1 that nobody can figure out what this is going to mean for
2 their bill. Well, if you look at the consultant's
3 report, there's a paragraph in there that talks about the
4 fact that if you have an 11.1 cent average supply in your
5 bill this -- from Delmarva right now -- if you went with
6 the Conectiv generation proposal, that would go to 11.2
7 cents. And if you went with the Bluewater proposal, it
8 would go to 12.3 cents. And if you went with the NRG, it
9 would go to 12.6 cents.

10 Now, those are approximate numbers.
11 They're not exact because the contracts haven't been
12 finalized. But you have to realize that that's how
13 the -- that's how these projects would impact your bill,
14 give or take a little bit.

15 If you look at page 9, there's a sheet
16 there that talks about the non-price evaluation. There
17 were three supercharacteristics, which we evaluated each
18 of the bids. And they each had subparts to their
19 evaluations.

20 If you look at the very top of Slide 9,
21 the first thing we have is the favorable characteristics
22 supercategory, which included environmental, fuel
23 diversity and technology. The max score on that
24 component was 20. You'll notice that Bluewater North and
1246

1 South projects got 18.2. NRG with its capture -- carbon
2 capture and sequestration got 12.7. And NRG without it
3 got 11.1. And Conectiv got 10.8. You can see what those
4 ratings are in each of those subcomponents there.

5 Another supercategory was project
6 viability, and that was when this project is likely to go
7 forward -- its operational date and certainty, its
8 reliability of technology, the site development, bidder
9 experience, finance ability, etc. Maximum again of 20
10 points. You'll notice that the Conectiv proposal got
11 18.5 points. The NRG without carbon sequestration got
12 11.8. NRG with carbon sequestration got 10.3. And
13 Bluewater North/South got 9.9. Those are the non-price

14 evaluations that were put forth on the bids.

15 On page 10 you see the economic
16 evaluation. And again, I'm talking about capacity, and
17 I'm talking about energy. And only those two components.
18 And if you look at the comparisons between Delmarva's
19 reference case price scoring and the IC or the
20 independent consultant's case price scoring, you can see
21 that they are fairly close. There's some slight
22 differences because of differences in assumption.

23 The market value is roughly an 85 to 86
24 dollar range. The Conectiv bid is between 86 and 87
1247

1 dollars, which is slightly higher than the market. The
2 Bluewater Wind is anywhere from ninety-nine point -- or
3 98.2 to 99.8. And then the NRG proposals go from 101 on
4 our categories to Delmarva's of a 106 and 107. So that's
5 dollars per megawatt hour. That's the way the rankings
6 fell out from an economic perspective.

7 Slide 12 shows you in real 2005 dollars
8 per megawatt hour what the prices of these proposals look
9 like. And you can see there's a solid line towards the
10 bottom. And I apologize your graphs aren't in color.
11 But the solid line towards the bottom is the market
12 price. And you can see that the Conectiv alternate bid
13 is the line that's just almost tracking along that same
14 line. And then the others are the Bluewater Wind 25-year
15 full proposal. And it goes on up to the NRG 25- and
16 20-year proposals.

17 We tested for price stability. In terms
18 of price stability, the Bluewater Wind was the most
19 stable price. That's not to say it was a flat price.
20 The price still escalates by a certain amount of
21 percentages if nothing more than consumer price index
22 that they have to pay for maintenance services. But from
23 a stability perspective, it was the most stable price.

24 Conectiv scored just a little better.
1248

1 Or not -- I'm sorry. Not -- a little bit better than
2 zero. Because its based on coal and gas, it's a little
3 more variable.

4 NRG's bid, because of the carbon issues
5 associated with it and a lot of unknowns around the
6 carbon issues -- it was considered to be less stable.

7 And they scored the lowest on that.

8 If you take a look at Slide 14 -- the
9 economic supercategory -- you need to look at price,
10 price stability, exposure and contract terms. And you
11 can see how all those were awarded. You can agree or you
12 can disagree, but this is the way the consultants awarded
13 those numbers. And the Conectiv alternate bid on
14 economics was 39.6 points. The Bluewater Wind was 28.9
15 points. And the NRG 25-year bid was 1.9 points.

16 If you look at the Slide 15 down at the
17 very bottom, you get the overall total scoring. It shows
18 the Conectiv alternate bid was 68.9 points. The
19 Bluewater North 25-year full bid was 57 points. And the
20 NRG 25-year bid was 24.8 points.

21 We're looking at these in terms of the
22 supercategory context. We're looking at them from the
23 point spreads. We're looking at them from a lot of
24 different directions.

1249

1 If you look on Slide 17 (sic), you can
2 see some of the comparisons: How the Conectiv project
3 was best evaluated for economic, evaluated as modestly
4 above market, had least risk -- small size, flexibility,
5 short term. But it didn't have a lot of price stability.

6 The Bluewater was environmentally
7 superior; provided price stability. But it was also more
8 expensive. And there was some question about viability
9 with respect to the renewable energy credits and the
10 greenhouse gas emission credits.

11 The NRG was technologically innovative.
12 There's a lot of potential for contribution for
13 greenhouse gas control. It had high fixed costs and a
14 lot of unknown around carbon.

15 Slide 17: I have to point out that all
16 of the bids that we received in one respect or another
17 were nonconforming. There were certain issues that were
18 required of the bidders in order to meet the obligations
19 under the bid package, and none of the bidders met some
20 of those requirements. Conectiv was the second lien and
21 permitting out. This slide tells you Bluewater had some
22 contract size and amounts of security that were in
23 question. NRG had the CO2 passthrough and a financing
24 out due to Financial Standard 46 termination or other

1250

1 reasons. So there's reasons that potentially these could
2 all be rejected. I'm not saying that's what would
3 happen, but there is that potential.

4 In conclusion, on Slide 18, we certainly
5 had a diversity of proposals. We think the proposals had
6 a lot of different pluses and minuses to them. That's
7 why we spent so much time that we have trying to evaluate
8 these and trying to get public input. Again, the ranking
9 of the bids, based on our evaluation, was Conectiv was
10 No. 1; Bluewater was No. 2; and NRG was No. 3 of the
11 three bids that were submitted.

12 There will be analysis going forward.
13 Our consultant that's working for the state agencies is
14 to report on April 4th of comparisons and further
15 information related to other possible options that the
16 state agencies and the Commission may have in looking at
17 generation supply.

18 Thank you, Your Honor.

19 THE HEARING OFFICER: All right. Again,
20 for those who came in late, we have a sign-in sheet up
21 here. And there is a column in which you can mark
22 whether or not you want to speak. So we appreciate if
23 you sign up even if you don't want to speak. But,
24 certainly, if you do want to speak, you need to sign up

1251

1 here.

2 Now I'll turn it over to Mr. Finfrock of
3 Delmarva Power.

4 MR. FINFROCK: Thank you, Your Honor.

5 Hopefully, everyone has a copy of
6 Delmarva's presentation. It is a six-slide presentation.
7 And I'd like to refer everyone to page 2 and, hopefully,
8 as I step through this presentation, share with you some
9 information of why Delmarva concluded that none of these
10 bids were appropriate to service the SOS customer base at
11 Delmarva power.

12 The first point on Slide 2 is the
13 evaluation and the ranking was consistent with the
14 independent consultant. What that means is that Delmarva
15 Power and the independent consultant both separately
16 evaluated these bids. Yes, they use the same models, but
17 the independent consultant chose different input

18 assumptions for the price evaluation. And they
19 independently assessed non-price factors, which represent
20 40 of 100 points.

21 With respect to those results, both the
22 independent consultant and Delmarva had the same ranking
23 where Conectiv was ranked the highest, followed by
24 Bluewater, followed by NRG.

1252

1 While Conectiv was ranked the highest,
2 we do not favor any of these bids; the reason being is
3 they are well above market. They didn't achieve -- the
4 significant issue in the legislation was -- which was
5 achieve price stability in a cost effective manner. None
6 of these bids achieved that goal.

7 If you recall the legislation, the
8 legislation requires Delmarva to actually file an
9 Integrated Resource Plan, which is a plan that views many
10 alternatives with respect to how to service the SOS load.
11 Embedded in that Integrated Resource Plan was this RFP,
12 which was a very focused evaluation on one sole resource
13 solution, and that is long-term contract from new
14 generation in the State of Delaware.

15 We believe that component of a resource
16 to service the SOS load is inappropriate. They are high
17 cost. They produce little to no stability. They -- two
18 of the bids have significant technology risks. And I'll
19 get to that in a second. They don't match the load
20 that's being served. The usage of the load does not
21 track well with these bids. There is a disincentive to
22 some of the other options that Delmarva supports, like
23 conservation and other energy efficiency programs. These
24 bids do not meet the needs and objectives of the

1253

1 customers.

2 What Delmarva proposes and recommends is
3 not a business as usual or do nothing strategy. It is a
4 strategy that is outlined in its Integrated Resource Plan
5 which is to invest in transmission, pursue energy
6 efficiency programs, like conservation, continue with the
7 SOS process, the current auction process which we now
8 have two data points for -- one last year and one this
9 year. It provides us some stability.

10 Now, I know that's not a trend, but

11 there is some evidence that the rates to customers have
12 been relatively flat through that auction process. We
13 don't think it's appropriate to burden a set of customers
14 in the State of Delaware with significant costs of
15 generation that may be servicing a population base far
16 greater than that set of customers.

17 If you turn to page 3, I'll get into the
18 cost. Mr. Howatt talked about the point system and the
19 levelized cost numbers, but that translates into billions
20 of dollars of additional costs to customers if you went
21 with a Bluewater Wind or NRG proposal. It also results
22 in 100 to 200 million of additional cost to customers if
23 you go with the Conectiv bid.

24 In addition, what do you get for that
1254

1 amount of excess money that customers are paying above
2 market? You get very little price stability, which is an
3 objective of the Act. Bluewater did favor the best price
4 stability. But if you assume that the market is a
5 hundred percent variable, Bluewater -- if you accepted
6 the Bluewater bid, you would still have roughly 65
7 percent variability in price. So that's still a
8 significant amount of variability for a \$2 billion price
9 cut. And we don't think that's appropriate.

10 If you turn to page 4, here we're trying
11 to identify why there is a concern of who is bearing this
12 cost. The top line of this chart reflects the load that
13 Delmarva Power serves in its three jurisdictions, which
14 are Maryland, Delaware and Virginia. As you carve back
15 that load from excluding Maryland and Virginia, excluding
16 minis and co-ops that don't participate in the SOS
17 service, excluding industrial/commercial customers that
18 don't participate in the SOS service, you come down to a
19 very small amount, relatively speaking, of load.

20 And the legislation requires that
21 30 percent of that small load is still required to be
22 serviced. So you have to take 30 percent away there. So
23 you're now left with roughly 70 percent of the SOS load,
24 which is significantly small in size compared to two of
1255

1 the three bids -- Bluewater, NRG -- and -- but those
2 customers are asked to bear the entire costs of those
3 projects, which are significant.

4 Turning to page 5, there is some risks
5 associated with these bids that warrant part of the
6 evaluation process. Technologies: The Bluewater and NRG
7 bids are to be billed in significant scale, a scale that
8 doesn't exist anywhere in the world. Most of the time
9 when wind farms and/or IGC plants are built, there tends
10 to be a governmental subsidy to afford it, because
11 customers can't afford it. Why should we ask these
12 customers to pay for that cost? We shouldn't.

13 And we're not sure of the technology.
14 It's unclear how the wind farm will perform off the
15 Atlantic Ocean in potential hurricane environments, etc.
16 We're unsure how the IGC plant will perform because it's
17 never been built to scale with that type of technology.
18 That's a significant amount of risk.

19 In addition, when you put customers to a
20 long-term contract, which is what we're doing in this
21 case if we went with one of those bids, you have a
22 significant amount of performance risk associated with
23 those contracts. The bidders could default. The bidders
24 could underperform versus the contract.

1256

1 Those are all risks beared by the --
2 would be beared by the customer, which, in today's
3 environment under an SOS auction process, they don't bear
4 that risk. So you have a significant amount of risk,
5 high cost, no stability, disincentives, conservation,
6 another energy efficiency program that Delmarva supports
7 and a significant technology risk. Again, we don't think
8 it's prudent to have those customers bear that risk.

9 Page 6, again, just conclusions: We
10 believe that Delmarva's Integrated Resource Plan is a
11 more viable solution than a sole source option of
12 entering one of the bids. We believe in investment in
13 transmission infrastructure. We believe in aggressive
14 support of energy efficiency programs. Continuation of
15 the SOS auction process that currently exists today is a
16 better alternative than to subject customers to a high
17 cost relationship that provides no stability, that has
18 chief technology risks, that doesn't meet the usage of
19 the customers and energy efficiency programs.

20 Thanks.

21 THE HEARING OFFICER: All right. Thank

22 you.

23 I'm going to go ahead and announce who
24 the first speaker will be. And while Ms. Kay Greene is
1257

1 on her way up to the podium, I'm going to make a couple
2 other announcements. But she's sitting right next to the
3 podium, so I'll speak very fast.

4 You'll notice the one person I didn't
5 introduce up here is the gentleman to the right of
6 Mr. Howatt. He's the court reporter. He is transcribing
7 all the comments made tonight. So I will actually be
8 spelling your last name for his benefit. If I mess it
9 up, please correct me.

10 We're going to allow three minutes --
11 the first round of comments three minutes for each person
12 to make your comment and to ask any questions you have of
13 Mr. Howatt or Mr. Finfrock. And then after they provide
14 a response, we'll get to the next person, if they did
15 have any comments.

16 If you're reading from a prepared
17 statement -- and this is another announcement from the
18 court reporter -- it would be helpful if you just gave me
19 the prepared statement after you were done. I've learned
20 tonight that it's especially hard to follow and to keep
21 up when you're reading from a statement.

22 Now, I do want to make sure everyone
23 knows that written public comment will be accepted by the
24 Commission all the way up to March 23rd. And as most of
1258

1 you know, this is the third meeting that we've held. The
2 first one was in Dover; the second one in Wilmington.
3 Tonight, of course, we're in Sussex County -- Georgetown.
4 And I will ask this. If you've already spoken at one of
5 the other meetings, please let me know. I'll put a star
6 next to your name, and I'll get to you after we've gotten
7 to the people who haven't spoken yet. And I'm doing that
8 just to make sure that everybody gets an opportunity
9 tonight.

10 And, again, we've got this place till
11 ten o'clock. So if we get to three minutes and I cut you
12 off and you still got some comments to make, I'll come
13 back to you. You just let me know when you're done if
14 you want me to come back to you, if we have time before

15 ten o'clock.

16 All right. And I know most of you
17 aren't going to be looking at your watches, so I'll
18 probably make some sort of a rude comment or try to get
19 your attention somehow once you get to three minutes and
20 I'll ask you just to wrap it up.

21 So with that, we've got -- and I'm going
22 to announce a few in advance just so you can get ready.
23 After Kay Greene is Pay Frey and then David Jaeger. And
24 Kay Greene is K-a-y G-r-e-e-n-e.

1259

1 Oh, one more thing. If you are
2 affiliated with an organization or an employer, it
3 certainly helps to provide the context of your comments
4 to go ahead and notify us of that. And, certainly, you
5 don't see a polygraph up here. We're not going to track
6 you down if you don't mention it. But it just helps to
7 give context to your comments if you announce any
8 particular affiliation that you've got.

9 Ms. Greene.

10 MS. GREENE: While I'm interested in
11 brand new power, I'm more interested in information.
12 Quality decisions require accurate information. Everyone
13 in this room, regardless of position, ought to be arguing
14 for full disclosure of all information from all parties.
15 Otherwise, members of this Commission are making a
16 decision based on information that all of us do not have.
17 And members of this audience, including myself, will be
18 making arguments based on wishful thinking. With all my
19 heart, I support wind power. But my heart alone is not
20 enough without accurate information.

21 Thank you.

22 THE HEARING OFFICER: Pat Frey. And
23 that's F-r-e-y.

24 MS. FREY: I'm Pat Frey, and I live

1260

1 about three miles outside of Dagsboro in Piney Neck and
2 about a mile and a quarter from the Indian River Power
3 Plant. I'm a native Sussex Countian. I'm speaking on my
4 own behalf.

5 And I have lived in this area for about
6 45 years. I have lived on this little finger of land
7 between Pepper Creek and Indian River in that time. And

8 over that period of time, DP&L, now referred as Delmarva,
9 Conectiv and NRG have all, at one time or another,
10 operated or owned this plant. And it seems to me, from a
11 public perspective, they have fought to dilute and/or to
12 circumvent EPA and DNREC laws regarding cleaning up the
13 site and the pollution that is being spread.

14 I think, when we talk about making
15 certain people pay for the cost of clean sustainable
16 energy which wind power could provide us, we ought to
17 remember that Delaware has two of the ten most polluting
18 coal-fired energy producers in the country, and the
19 Indian River is one of the ten most polluted bodies of
20 water in the country. I don't think that Sussex County
21 should be asked to bear additional burdens.

22 I have a great deal of concern with the
23 criteria which were selected for the evaluation process.
24 And I'm not going to go through all of them. Many of

1261

1 them are written in the report that I've given for the
2 record. But there are two that I would like to address.
3 And you have to understand. I'm a layman. And I've
4 tried to read it as intelligently as possible.

5 I am concerned that the evaluation
6 system does not contain a single point which addresses
7 health and health care costs associated with the burning
8 of fossil fuels. In my 40 years as a health care
9 provider, I have yet to see anybody whose health was
10 enhanced by pollution of any kind.

11 There are a lot of data which people
12 have addressed related to health care costs. But there
13 is one set of data that I have not seen in print or I
14 have not heard anyone speak to specifically, and they
15 relate immediately to those of us in Sussex County.

16 The Delaware Division of Aging has what
17 is called a cancer rate data set. And what this says in
18 plain English is that the people who live in the towns
19 and the environments that surround the Indian River Power
20 Plant have consistently increased rates of cancer -- that
21 is cancer of the lung, and that is cancer of all sites --
22 than do people who live elsewhere in Sussex County and
23 more than people who live anywhere in the State of
24 Delaware.

1262

1 In --

2 THE HEARING OFFICER: We're about three
3 and a half.

4 MS. FREY: Okay.

5 THE HEARING OFFICER: Wrap it up.

6 MS. FREY: And if we do a cost analysis

7 of providing energy sources in 2007 and do not

8 acknowledge and factor in health care costs that are

9 associated with burning fossil fuels versus the benefits

10 that will be associated with the use of sustainable and

11 clean fuel, it's not only faulty economics. I personally

12 think it's immoral.

13 THE HEARING OFFICER: Next is David

14 Jaeger, J-a-e-g-e-r. After Mr. Jaeger we have Mike

15 Dennis -- you probably didn't catch that. I'm just --

16 I'm worried about getting to everybody tonight. That's

17 why I'm trying to get to the next person. J-a-e-g-e-r.

18 And then after that, it's Mike Dennis, A.F. Lynch, Edwin

19 Smullen.

20 Mr. Jaeger.

21 MR. JAEGER: My remarks are going to be

22 very brief, but they do have a theme. And the theme is

23 "What a Difference a Year Makes."

24 I have in my hand a letter from the

1263

1 president of Delmarva Power dated March of last year

2 informing me that my electric service would increase by

3 \$54 a month as of May of last year. And the explanation

4 for that was that it was to make up for a six-year price

5 freeze between 1999 and 2006. And during that period of

6 time, according to Mr. Stockbridge, the cost of coal had

7 gone up 150 percent. The cost of oil had gone up 300

8 percent. And the price of natural gas had gone up 400

9 percent between 1999 and 2006. He further stated -- and

10 it's in his cover note -- that Delmarva cannot control

11 the fuel prices that are driving these increases in

12 electricity rates.

13 And as we all know, this letter was the

14 beginning of a firestorm of studies and plans to bring

15 electric rates under control. And Delmarva has hired

16 consultants and the Public Service Commission has hired

17 consultants to analyze and prioritize the three proposals

18 for additional electric service. They are gasified coal,

19 offshore wind turbines and natural gas.

20 The consultants concluded, as we just
21 heard, that natural gas is cheaper than wind power by \$11
22 per month and cheaper than coal by \$25 per month over a
23 25-year period. Now, Delmarva Power says they don't like
24 any of these proposals and prefer the open market, which,
1264

1 according to this notice, would cost us last year \$54 a
2 month more because coal had gone up by 150 percent; oil
3 had gone up by 300 percent; and natural gas had gone up
4 by 400 percent.

5 What a difference a year makes!

6 My question really is: What has
7 Delmarva learned in that past year -- in this past year
8 that makes them so confident that they can now control
9 energy prices better this time?

10 And these are my comments.

11 THE HEARING OFFICER: Mr. Jaeger, just
12 to clarify, was that a rhetorical question, or are you
13 looking for an answer?

14 MR. JAEGER: I'm looking for an answer.

15 THE HEARING OFFICER: Okay.

16 MR. JAEGER: If someone has an answer,
17 I'd be glad to hear it.

18 MR. FINFROCK: Delmarva is not claiming
19 to be able to project out fuel prices and energy prices,
20 but what we are concluding is that the bids that we
21 received didn't do any better in stabilizing rates in the
22 marketplace.

23 THE HEARING OFFICER: Okay. We've got
24 Mike Dennis, D-e-n-n-i-s.

1265

1 MR. DENNIS: Put a star next to my name.

2 THE HEARING OFFICER: A.F. Lynch,
3 L-y-n-c-h.

4 MR. LYNCH: Good evening.

5 I'm a native from lower Sussex County,
6 and I've lived there for 56 years. And I'm an
7 ex-Delmarva/Conectiv/Excel and now NRG employee. I've
8 seen a lot of growth. I've worked in the fuel yard at
9 Indian River for the past 31 years handling coal. I've
10 been fortunate to work for a good electric company and
11 been able to support my family and educate my daughter

12 here in the State of Delaware and send her to college.

13 I support the IGCC plant at Indian
14 River. I feel this new technology will help the
15 environment, reducing emissions CO2 and SO2, plus help the
16 economic growth in lower Delaware, creating construction
17 jobs and about a hundred new permanent jobs at Indian
18 River.

19 I do not think that we have hurt the
20 environment like we are seeing in the paper and the media
21 as big polluters. We report every day any exceedance in
22 emissions, monitoring chlorine and mercury in our coal
23 samples on every train by an outside vendor who collects
24 the samples. As we are off-loading these trains, we do
1266

1 Title 5 reporting to the state for any dusting during the
2 off-loading of the coal and wind blowing the coal around
3 the piles after it's there.

4 We do comply to the regulations that the
5 state has set upon us, but you do not hear that in the
6 papers and the media. We don't set the regulations. The
7 state does. Give Indian River -- the facility there some
8 credit for doing what is asked of them.

9 When the Delmarva consultants asked for
10 more power solution, they asked for seven points to be
11 answered. NRG hit on all of them. If you're going to
12 ask for these particular points, then everyone should
13 answer all of them. If not, one cannot come to a
14 complete thought process of which is best.

15 Where is the infrastructure going to be
16 for the wind turbines? Downtown Rehoboth? Downtown
17 Fenwick Island? I don't think so. Where is all the oil
18 going to be stored for these wind turbines? Is the state
19 going to let them cross wetlands that are used for bird
20 sanctuaries, duck and geese migratory areas to -- in
21 which to -- without having to get to a switch yard? In
22 my eyes -- if my eyes are not deceiving me, as a local
23 resident, I do not see areas along the beach in Sussex
24 County that is considered to be not to have an impact on
1267

1 nature. NRG has the infrastructure in place at Indian
2 River.

3 Since 1957 NRG -- are Indian River plant
4 has been tucked away up river from the beach area. Since

5 the mid 1960s, retirement growth has come to the plant
6 area. The plant did not go to the beach area or the
7 surrounding communities.

8 We certainly want to be environmentally
9 friendly. And myself as well, as I'm about ready to
10 retire. I want to enjoy this location for many years to
11 come. We do not need -- we do need more power. We do
12 not need to come up short down the road like California
13 where it's going to cost more money. I think, as a local
14 Delaware resident, we should be proactive, not
15 reactive --

16 THE HEARING OFFICER: Try and wrap it
17 up.

18 MR. LYNCH: To our electrical concerns,
19 I think the IGCC's technology will work and the State of
20 Delaware should be the leader, not a follower. We should
21 be the first in the First State.

22 Thank you for your time and listening to
23 me.

24 THE HEARING OFFICER: Sir, before you
1268

1 leave, if you do have a copy of those comments, the court
2 reporter could use it.

3 After Mr. Smullen, we've got Mike Goff,
4 Kim Furtado and David Walsh. Right now it's Edwin
5 Smullen. It's S-m-u-l-l-e-n.

6 MR. SMULLEN: Thank you.

7 I'm Edwin Smullen. I'm a businessman
8 for the Plumbers and Pipefitters Local Union 782 in
9 Seaford, Delaware. I have to say that my members, which
10 are about 250 strong, have been involved in the
11 construction of every facility at Indian River since it's
12 beginning in 1957, and we look forward to participate in
13 any future construction.

14 One thing I know -- construction. 250
15 people that have lived, breathed with their families, go
16 to school, retire here in the local area that are looking
17 for a thousand construction jobs if NRG builds aside the
18 IGCC facility at Indian River. A thousand construction
19 jobs. 3.5 million man hours of work, which will go a
20 long way towards feeding everybody in this room for a few
21 days.

22 I also know that coal is a dependable

23 fuel. It's the only fuel that I know of that we really
24 can put our hands on and we can get right here in this
1269

1 country. Natural gas -- we all know what gas prices have
2 done. We've listened to the market reports every
3 morning. They vary like crazy. I have yet to hear
4 anybody on public radio or on the evening news hear what
5 a ton of coal happens to cost today. It may have, as the
6 gentleman before me said, gone up 150 percent. And I
7 believe that was the cheapest of the three, outside of
8 wind, that we're discussing.

9 The one issue I have with the wind farms
10 is the wind itself. We don't know what it'll do. I
11 believe it's great technology. I think it has a place in
12 the future. I just don't think it's the time to put all
13 our eggs in a basket hoping that the wind is going to
14 blow. And to be quite honest with you, the same thing
15 with natural gas. I don't know what the price of natural
16 gas is going to be next month or next year. I don't
17 think Delmarva does. I don't think the Public Service
18 Commission does. I think probably coal is the most
19 stable of the three.

20 And I do have an issue that I would
21 really hope that the Public Service Commission would take
22 into account as they go forward in the process.
23 Certainly, you guys are professionals. You've done an
24 excellent job. But the numbers are as confusing as they
1270

1 can be. You've given point systems. To an audience of
2 people who have come here -- and the people all have
3 their minds made up. And the points are just confusing.

4 Thank you.

5 THE HEARING OFFICER: Mike Goff,
6 G-o-f-f.

7 SPEAKER: Good evening.

8 My name is Mike Goff. I'm the past vice
9 president of Plumbers and Pipefitters Local 782 in
10 Seaford and I'm currently on the board of trustees for
11 health and pension plans. Tonight I rise in support for
12 the NRG gasifier process.

13 Actually, I'm going to go past -- I have
14 almost an entire page here about the amount of work, you
15 know, that's going to be provided by this; the amount of

16 money that's going back into our community; the suppliers
17 being able to perhaps hire more people. But I'm going
18 to, I guess, get right down to the meat of it. And a lot
19 of what I say about the coal gasification is quoted
20 directly from the Department of Energy website.

21 Coal gasification offers one of the most
22 versatile, clean ways to convert coal into electricity,
23 hydrogen and other valuable energy products. Rather than
24 burning coal directly, gasification breaks down coal into
1271

1 its basic chemical constituents. In a modern gasifier,
2 coal is exposed to hot steam and carefully controlled
3 amounts of oxygen or air under high temperatures and
4 pressures which break down the carbon molecules to create
5 the gases needed.

6 The Department of Energy is working on
7 gasifier advances which would expand the gasifier
8 flexibility process variety of coals and other carbon
9 based feedstock, such as municipal and industrial waste.
10 So the potential could be here for us to be able to use
11 waste products to run a gasifier in the future. It may
12 only take a simple conversion for us to have a gasifier
13 here that would help maybe have a bigger positive impact
14 on the environment. Windmills and natural gas won't have
15 this ability.

16 Gasification, in fact, may be one of the
17 best ways to produce clean burning hydrogen for
18 tomorrow's automobiles and power-generated fuel cells.
19 Hydrogen and other coal gases can also be used to fuel
20 power-generating service.

21 Delaware has several things in its grasp
22 to make use of this. To begin with, if we have a
23 gasifier, we'll be able to produce clean hydrogen.
24 Second of all, the University of Delaware was just given
1272

1 a \$4.6 million grant by the Department of Energy to go
2 towards identifying materials to use in hydrogen fuel
3 cells. And thirdly, we have a GM plant we don't want to
4 see closed down. GM has a working prototype that runs
5 off hydrogen fuel cells.

6 This may be a far stretch to see all of
7 this come together, but my point is is the gasifier
8 would have even more environmental benefits if we pushed

9 our elected officers and CEOs in the right direction. We
10 wouldn't be able to do this with the other two power --
11 possible power sources. This is the potential.

12 If you don't look for the quick fix and
13 try to look ahead 10, 15 or even 20 years in the future,
14 all the windmills added to the evaluation -- they
15 themselves will not create further pollutants. However,
16 with them not creating the needed energy, another plan
17 will still need to be used to take up the slack. So
18 there's going to be something hot off the grid. There
19 probably will be a coal power plant burning somewhere in
20 order to get this energy.

21 I read in the newspaper that the NRG
22 Energy says they will shut down the two dirtiest units
23 that produce the most pollution if the gasifier is built.
24 That along with the scrubbers that will be added to the
1273

1 remaining units would adhere -- to adhere to the federal
2 guidelines and cut the pollution factor by better than
3 50 percent by itself. On top of that, a gasifier has the
4 capability to achieve extremely low particulate emissions
5 from burning coal-derived gases. Sulfur, for example,
6 emerges as a hydrogen sulfide captured in processes
7 presently used in the chemical industry. In an
8 integrated gasification combined cycle plant, the same
9 gases produced is virtually free that are fuel-bound
10 nitrogen.

11 THE HEARING OFFICER: We're getting
12 towards four minutes here.

13 MR. GOFF: Anyway, the capability to
14 produce electricity -- hydrogen, chemicals, various
15 combinations while eliminating nearly all pollutants and
16 potentially green house gas emissions make coal
17 gasification one of the most promising technologies for
18 the energy plants of tomorrow.

19 Instead of the nonexistent quick fix,
20 let's clean up the one we have. I believe this is going
21 to be a win for the labor force and a win for the
22 environmentalists.

23 THE HEARING OFFICER: I have you marked.
24 In case you want to speak, I've got you marked.
1274

1 MR. GOFF: Okay. Thank you.

2 THE HEARING OFFICER: Before you leave

3 Mr. Goff, we would really appreciate those statements

4 that you've got in writing.

5 After Kim Furtado, we've got David

6 Walsh, Barbara Lloyd and Chris Williams. Right now it's

7 Kim Furtado, F-u-r-t-a-d-o.

8 MS. FURTADO: I spoke in Dover, but I

9 want to speak tonight, please.

10 THE HEARING OFFICER: David Walsh,

11 W-a-l-s-h.

12 MR. WALSH: Good evening, Your Honor.

13 My name is David Walsh, and I'm the

14 executive director of the Delaware Building and

15 Construction Trades Council, the umbrella organization

16 representing 19 local trade unions and their 5,000

17 members here in Delaware.

18 Representatives of the Building Trades

19 Council, including President Harry Gravell, have

20 previously expressed their strong support for the NRG

21 clean coal process in this RFP process. This project

22 will not only provide over 1.5 billion in capital

23 investment at the Indian River facility and create more

24 than 1,000 construction jobs over a five-year period and

1275

1 100 additional permanent positions but it will

2 significantly reduce the emissions from that plant and

3 improve the environment here in the State of Delaware.

4 Since this RFP process began, I

5 personally researched public information regarding NRG,

6 the Indian River facility and the technology NRG proposes

7 to use in its project. It is clear to me that the

8 proponents of the 200 turbine industrial wind complex off

9 our Delaware beaches along with their allies are

10 disseminating misinformation about NRG clean coal

11 technology, carbon capture and sequestration and about

12 wind power. I'm here to set the record straight.

13 First, let me be clear: The Delaware

14 Building Trades Council is interested in obtaining work

15 for Delaware's working families, but we are also

16 concerned about the environment and its impact on our

17 state and its people. Our ranks are filled with the men

18 and women who have built and are building much of the

19 economic infrastructure within our state. We, as working

20 men and women, have as much right to a say in the
21 economic environmental future of Delaware as any of the
22 other groups you have heard from in this process.

23 We, however, are realists -- something
24 that comes from tough choices our families have to make
1276

1 each and every day. We, therefore, consider the
2 appropriate balance between realistic and achievable
3 improvements to our environment through the NRG and
4 Indian River IGCC project and the unreality of the huge
5 200 turbine industrial offshore wind complex advanced by
6 Bluewater Wind.

7 As folks who have worked day in and day
8 out to feed our families and pay our electric and medical
9 bills, working families do not have the luxury of
10 advocating a pipe dream and thereby missing out on what
11 can actually be achieved -- a \$1.5 billion
12 environmentally sound gasification carbon capture
13 sequestration project at Indian River.

14 Despite the misinformation to the
15 contrary, emissions at the Indian River Power Plant more
16 than satisfy state and federal emission standards. And
17 in fact, the history of emissions at that plant shows a
18 steady decline of overall emissions over the last ten
19 years. It is in fact an old plant. That's why NRG's
20 proposal to modernize and refurbish the plant makes so
21 much sense. But despite its age and what some of you may
22 be saying, Indian River is not the top emitter or top 10
23 or top 50 emitters on the East Coast.

24 The opponents of the NRG clean coal
1277

1 facility continue to say that the Indian River Power
2 Plant has caused mercury poison, autism and cancer. They
3 offer assertions but no conclusive scientific studies of
4 the plant or its effect on the surrounding communities,
5 only rumors.

6 As Dr. Dale Farmley (phonetic), an
7 epidemiologist, who testified at the Wilmington hearing
8 noted: There are no scientific reports that people who
9 live in the vicinity of power plants have any higher
10 risks of any of these diseases than the general
11 population. In any event, you would think that, if
12 people are concerned about the health risks related to

13 the Indian River facility, they would support NRG's
14 attempt to close the coal-fired units and put in a
15 significantly lower-emitting clean coal facility in place
16 at the plant and congratulate NRG for what it's proposing
17 to do.

18 But we know that is not what this is all
19 about. Certain constituencies would like to see the
20 Indian River facility close completely. In doing that,
21 the academics and activists put working people out of
22 work, hurt working families in Sussex County, and only
23 make Delaware's needs for reliable sources of energy much
24 greater. That cannot be an option and it is not the
1278

1 solution to Delaware's energy problems. Hopefully, cool
2 heads can prevail.

3 Finally, both the state and Delmarva's
4 consultants and allies of a 200 turbine industrial
5 offshore wind complex repeatedly and consistently spread
6 falsehoods regarding the viability of coal gasification
7 technology and carbon capture and sequestration. The
8 fact is there are 17 IGC plants operating commercially in
9 the world today. The technology has been around for
10 decades. It is in commercial use and is viable. Clear
11 proof of that is Senator Hillary Clinton's endorsement of
12 IGC technology.

13 My question is: Why would a national
14 political figure who is under credible scrutiny for
15 everything she does endorse an unproven or risky
16 technology? It is my opinion that she would not.

17 As to NRG's proposal to capture and
18 sequester 65 percent of carbon emitted from the IGCC
19 facility, one of the pro-academics in the Wilmington
20 hearing said recently he had some experience with carbon
21 sequestration and that there's only one carbon
22 sequestration facility in the world off the coast of
23 Norway and that carbon sequestration at Indian River
24 would not work.

1279

1 But at the same hearing last week, an
2 expert on carbon storage from the Bureau of Economic
3 Geology in Austin, Texas, someone who for many years has
4 worked and currently does work in the area of carbon
5 management and sequestration, testified that NRG's carbon

6 capture technology plan is feasible. He noted that
7 the Gulf Coast --

8 THE HEARING OFFICER: Wrap it up.

9 MR. WALSH: -- led the nation in
10 underground storage of CO2 in capture and sequestration
11 of carbon and saline aquifers such as that proposed at
12 Indian River. It is feasible and has been done on a
13 commercial basis.

14 THE HEARING OFFICER: You're close to
15 five minutes.

16 MR. WALSH: The Building Trades Council
17 wholeheartedly endorses NRG.

18 THE HEARING OFFICER: That was my fault.
19 I'm sorry. I let four minutes go by.

20 Let's get to Chris Williams.

21 Again, if you're going to read a
22 statement and it has facts, get us a copy. He'll get
23 more of your words in tonight, but there's probably going
24 to be less accuracy in the transcript. It's sort of a
1280

1 deal you choose to make if you're going to read fast.

2 All right. Go ahead.

3 MR. WILLIAMS: Hi. My name is Chris
4 Williams, and I am an employee at the Indian River Power
5 Plant. I was born and raised in Delaware. I'm a
6 Delaware native. My kids are going to school here.

7 I'm here tonight to refresh your
8 memories as to what happened on July 6th, 1999. We were
9 in the third day of an intensive heat spell in the
10 Midatlantic region. That was when one of our units at
11 the plant tripped. Delmarva Power immediately went into
12 rolling blackouts in the State of Delaware. We found the
13 problem at the plant and readied the unit for service,
14 but we couldn't come online because the voltage levels on
15 the grids were too low. We were afraid of that. You
16 know, we'd cause damage to the generator if we were
17 brought it off because the voltage levels were so low due
18 to the record high demand.

19 After a couple hours of frantic
20 discussion between the Salisbury operation and the plant,
21 it was decided to lower our limits for allowing that unit
22 to come online to return it to operations to try and help
23 with the -- you know, the crisis that we were in at the

24 time. It was like a last ditch effort to prevent a major
1281

1 blackout, you know. After many tense moments, you know,
2 we were successful. We got it.

3 The Department of Energy conducted an
4 investigation into what happened that day. And, you
5 know, they found -- I'll just speak to their findings
6 that they found for Delaware. One of the crucial
7 findings was that Delmarva Power did not have sufficient
8 reserves to be able to provide power in the region in the
9 event of equipment failure.

10 That day in July broke all -- an
11 all-time record for demand. That level of demand was not
12 projected to occur until 2002, yet we exceeded those
13 expectations in 1999. Since then we have continued to
14 break records every year, even with mild summers. The
15 last record we broke occurred on February 5th of this
16 year. Yet we have not added any generation as the
17 increased demand has gone up.

18 We all know that wind power will not
19 generate sufficient electricity during the summer months
20 when the demand is the highest. But remember what
21 happened that July. There was no power left to buy.
22 They had rolling blackouts in New York. They had
23 blackouts in Pennsylvania. The whole region.

24 If they were able to supply power, the

1282

1 cost would have been over \$900 a megawatt at the time.
2 During a non-high demand -- I think today it got like
3 what: \$45 a megawatt or something like that. You know,
4 it averages. It floats.

5 So you can see that the cost of buying
6 power, if there's any available during the peak demand,
7 would be astronomical. If you think a 59 percent rate
8 increase is shocking, wait until you see the price of
9 next week's bill when you need to buy power when the wind
10 doesn't blow or you don't have the power available. If
11 that same scenario were to happen again and we lost one
12 of our bigger units, the only one that would be able to
13 prevent rolling blackouts would be the IGC at the Indian
14 River.

15 You know, it's funny. My wife works for
16 a doctor in Lewes. And when times get a little crunchy

17 during the summertime, I pop it up on the computer and I
18 just watch it on the grids and stuff like that. She
19 works for a surgeon. There has been like -- I'll call
20 her like three or four times during the summer months.
21 Like during a mild summer I called her last year. I'd
22 say, hey, look, you might want to tell Doc they're
23 getting closer to rolling back again. Please don't have
24 surgery. You might want to consider, you know, if the
1283

1 power goes out. Adding transmission lines would not have
2 helped because there is no generation.

3 So, you know, I just want to put my bid
4 in for IGCC. Thank you.

5 THE HEARING OFFICER: Thank you.

6 After Gail Charnley, we've got John
7 Flaherty, John Austin and Bill Zam. And now Gail
8 Charnley, C-h-a-r-n-l-e-y.

9 MS. CHARNLEY: I did speak in
10 Wilmington.

11 THE HEARING OFFICER: John Flaherty,
12 please.

13 MR. FLAHERTY: Same thing.

14 THE HEARING OFFICER: That would leave
15 John Austin.

16 MR. AUSTIN: I spoke.

17 THE HEARING OFFICER: Bill Zam.

18 MR. ZAK: Zak.

19 THE HEARING OFFICER: I'm sorry. Zak.

20 MR. ZAK: I would like to speak later.

21 I spoke in Dover.

22 THE HEARING OFFICER: Joe Schorah.

23 MR. SCHORAH: I spoke in Wilmington.

24 THE HEARING OFFICER: Mr. Yetter.

1284

1 Ron Wilkosz. And then after
2 Mr. Wilkosz, we have Isabel Benson and Herb Archdeacon.
3 And then Doug Netting. And that's W-i-l-c-o-s-z.

4 MR. WILKOSZ: K-o-s-z.

5 THE HEARING OFFICER: W-i-k-o-s-z?

6 MR. WILKOSZ: W-i-l-k-o-s-z.

7 THE HEARING OFFICER: Thank you.

8 MR. WILKOSZ: Thank you for this
9 opportunity to speak tonight. My name is Ron Wilkosz,

10 and I'm the plant manager at the Indian River plant. I'm
11 an employee eight hours a day, but I'm a citizen 24 hours
12 a day. I'm the chairman of the Delmarva Parks & Rec
13 Council, and I'm also NRG's representative for the
14 national watershed lines. That's just to let you know
15 that I'm a pretty good guy.

16 But I'm here to respond to comments that
17 were made at these hearings regarding our existing
18 operations as well as the IGCC project. I have heard it
19 mentioned in the hearings and newspaper editorials that
20 the Indian River plant is the dirtiest plant in the
21 nation. Now, I'm pretty competitive. I like to be
22 number one, but this is not true. I challenge anyone to
23 provide me with documentation that supports this
24 statement.

1285

1 In fact, in a recent report on criteria
2 pollutants, Indian River is not even in the top 50. This
3 is only one example of the many misrepresentations made
4 about the Indian River plant.

5 As a plant manager, I can tell you we
6 work very hard, and I'm very proud of our environmental
7 performance at the plant. And it is disturbing to hear
8 this kind of wrong information discussed in our
9 community. We comply -- and you've heard this several
10 times. We comply with all current federal and state
11 regulation and monitor and self-report our emissions. We
12 self-report our emissions. That would be like you
13 driving home tonight, exceeding the speed limit, stopping
14 in the police station and telling the officer that you,
15 you know, exceeded the speed limit, give me a ticket.

16 I've heard that we should be required to
17 withdraw our bid until we remove our appeal for the
18 multi-pollutant regulations. I wish to set the record
19 straight. We are not opposed to the regulations and plan
20 to comply to the emissions target in the rule by the 2012
21 compliance time line. What we have appealed are the 2009
22 interim time lines which are impossible to meet. We were
23 currently evaluating bids for back end controls for all
24 our existing units and are working to meet the rule's

1286

1 final 2012 requirements.

2 The IGCC proposal, which includes

3 retiring two of our existing units, will greatly reduce
4 emissions at the site. However, it has been said that
5 any emissions at all are not acceptable. If you truly
6 believe this and if you truly believe that any emissions
7 are not acceptable, than you must have arrived here
8 tonight by walking, riding a bike or riding a horse. If
9 you rode in any mobile source with a combustion engine,
10 even a hybrid, than you were creating emissions, and you
11 too are making a contribution to the emissions footprint
12 that you profess cannot be tolerated.

13 Finally, we at NRG believe that wind is
14 part of the solution but not for base load generation as
15 required in the RFP. IGCC is the next generation of
16 energy technology. Without it we will not have clean,
17 reliable power. Any solution that does not include the
18 IGCC technology will result in the need to purchase
19 backup power from traditional coal plants in the West
20 Coast.

21 THE HEARING OFFICER: That's time.

22 MR. WILKOSZ: Their emissions transport
23 will actually bring more emissions to Delaware.

24 Thank you.

1287

1 THE HEARING OFFICER: Isabel Benson.

2 MS. BENSON: Good evening.

3 My name is Isabel Benson, and I'm a
4 nurse. And I have worked in oncology for 22 of my 26
5 years as a nurse. I love my job. I love being an
6 oncology nurse. And actually there is wonderful new
7 innovations in oncology in the 21st Century. I see that
8 we have some wonderful new innovations in power sources
9 for the 21st Century also.

10 I'm wholeheartedly here to support the
11 wind power proposal that was put before the Public
12 Service Commission. I feel very strongly that we are
13 here to protect those people who cannot protect
14 themselves.

15 At the Tunnell Cancer Center in Lewes,
16 Delaware, we see between 650 and 700 new cancer cases per
17 year. We have just moved into a new facility, and we
18 cannot keep up. We had to go back to our old radiation
19 equipment within one month of moving to the new facility.

20 Anything that we can do that is

21 proactive to support the health of the public that live
22 in this area is more than acceptable. It is mandatory.
23 And as Ms. Frey said earlier, it is also a moral
24 responsibility that we care for the people of this area,
1288

1 including the small children who are growing up here now.

2 I thank you very much for the
3 opportunity to speak to you. And I'll say again that I
4 wholeheartedly support a clean, renewable source of
5 energy, not only for this area but for very many other
6 areas in the country. And may I also say that I know
7 there are many people here who gain their livelihood from
8 the power plant.

9 And I'm certainly here tonight with my
10 husband. We have raised four children, and we are trying
11 to finish educating the fourth of those. My husband is a
12 working man, and I'm very much a working woman. And I am
13 willing to pay additional costs if that's what it would
14 take to provide a healthy place for my children and my
15 grandchildren and all of the people of Sussex County.

16 Thank you very much.

17 THE HEARING OFFICER: All right. After
18 Herb Archdeacon, we've got Doug Netting, Kate Zak, Kaylyn
19 Peoples. And right now it's Herb Archdeacon, A-r -- I
20 don't see him. Okay. A-r-c-h-d-e-a-c-o-n.

21 MR. ARCHDEACON: My primary concerns for
22 being here are health and environmental issues. And as
23 has been said earlier, I do not feel that the evaluations
24 which have been made have given sufficient weight to
1289

1 those issues.

2 In 1995 we built a new home in the Sandy
3 Brae development near Lewes. That is not in what is
4 considered the most critical post office codes near the
5 power plant. We had a new concrete driveway, walkway,
6 patio built. The predominant color of those facilities
7 today is black as a result of the particulate matter
8 deposited on them by the Indian River Power Plant. That
9 is graphic proof of what we are breathing.

10 Governor Minner talks of a Livable
11 Delaware. When I hear that term, the first thing I think
12 of is pollution-free water and air. We do not need
13 another power plant based on fossil fuels of any kind.

14 Wind power technology is proven. It has
15 made it possible for the Netherlands to reclaim their
16 country from the sea. It enabled our country to become
17 the breadbasket for much of the world by the ability of
18 farmers to use wind to pump water long before rural
19 electricity was available. Modern large scale wind farms
20 are proven as a viable technology. That is what we have
21 to invest in to provide a Livable Delaware, not only for
22 ourselves but for our grandchildren.

23 We not only have to provide for future
24 demands for electric power; we also have to provide
1290

1 sufficient pollution-free power to scrap the Indian River
2 carcinogen factory.

3 Thank you.

4 THE HEARING OFFICER: Doug Netting,
5 N-e-t-t-i-n-g.

6 MR. NETTING: I spoke in Dover.

7 THE HEARING OFFICER: Kate Zak. Oh.
8 Yeah. Kate Zak, Z-a-k.

9 MS. ZAK: I am Kit Zak, a cancer
10 survivor and a member of Citizens For Clean Power, and I
11 hope that the Commission will decide to protect our
12 environment -- our air, water, land and the very future
13 of Delaware's low-lying land mass, given protected water
14 rise anticipated to begin in a hundred -- roughly a 100
15 years to 200 years from now.

16 But I want to address a topic that may
17 not be on everyone's mind: That of ocean acidification.
18 The Delaware News Journal on March 4th noted, quote, over
19 fishing, pollution, global warming have all combined to
20 leave weak fish and virtually all other species
21 vulnerable, close quote.

22 What causes ocean acidification? Carbon
23 dioxide, from coal and natural gas, not only contributes
24 to glacial melting but also to a condition known as ocean
1291

1 acidification. The excess acidity is depleting the
2 ability of shellfish, shrimp, krill, etc., to make
3 shells. The larger impact of this factor is our aquatic
4 food chain is in serious decline. According to the
5 scientists who have studied the problem, unless these
6 carbon deposits are very soon curtailed we face mass

7 extinctions in our ocean.

8 How can we possibly continue with any
9 energy source which will allow for the eventual
10 extinction of our sea life?

11 According to The News Journal, the
12 category of weak fish, once extremely plentiful and known
13 as Delaware's state fish, quote, suffered a slow decline
14 from over fishing, pollution and the deadly water intakes
15 of power plants that line the bay, close quote.

16 In an exhaust report presented to the
17 British Royal Society in June 2005, Dr. Carol Turley
18 notes: Many of the marine species that we rely on to eat
19 will disappear. In summary, ocean acidification
20 threatens to change the ocean ecosystem, driving our
21 marine food species to extinction, close quote.

22 Both natural gas and coal spew vast
23 amounts of carbon dioxide into the atmosphere. The
24 ability to capture and sequester carbon and then transfer
1292

1 will not only be exorbitantly expensive but the
2 technology to do so completely does not fully exist. If
3 Delaware pursues either of these two carbon-producing
4 systems, coal or natural gas, the carbon tax will be
5 passed on to the consumer, and it will be exorbitant.
6 Thus, no bid should be given to an energy plan with an
7 unknown and hence hidden tax.

8 Also I think NRG is less than honest
9 about their desire to clean up the environment.
10 Presently, NRG is appealing the modest regulations that
11 DNREC developed to clean the air at that old plant. But
12 how can we believe that they will ever act in good faith
13 when their currently are trying to avoid a long overdue
14 cleanup. NRG will continue to run a coal plant at Indian
15 River. That's for sure. But the majority of the
16 citizens don't want two coal plants in Millsboro. Also
17 the coal companies have systematically put profit over
18 workers and citizens' health. And the State of Delaware
19 has been complicit in allowing them to do so for over 50
20 years.

21 The Audubon Society, the Clean Air
22 Council, Citizens for a Better Sussex, the League of
23 Women Voters and a number of other organizations as well
24 as 90 percent of a group of citizens polled support wind

1293

1 power. Delaware has the chance to be on the cutting edge
2 of a new, workable technology. We implore the
3 commissioners to be future-oriented and allow Delaware to
4 enter into a new, clean progressive era.

5 Thank you.

6 THE HEARING OFFICER: Kay Peoples,
7 P-e-o-p-l-e-s.

8 MS. PEOPLES-WALLACE: Good evening.

9 My name is Kaylyn Peoples-Wallace, and I
10 am 12 years old. I am here tonight because this is about
11 my future. But before I talk about my future, I want to
12 remind us of our past.

13 Wind has been in use for centuries.
14 Without it many people would not have been able to grind
15 grain in the 7th Century. Without it Christopher
16 Columbus would not have been able to sail about the
17 world.

18 Most recently, wind has been harnessed
19 to assist in production of electricity. In California
20 there are over 15,000 wind turbines meeting the needs of
21 about 1 million people.

22 Delaware's population is projected to
23 reach 1 million between the years of 2020 and 2025. We
24 need to look at the future today, before it's too late.

1294

1 I may not know all of the costs involved
2 in building plower plants but what I do know is the cost
3 of our future. Coal and natural gas are limited
4 resources. Both are not safe for our environment. We
5 need to lessen our dependence on these and look to wind
6 because it is both clean and unlimited.

7 My future depends on you making the
8 right choices. Wind is the right choice because wind is
9 clean; wind is reliable; wind is already supplying power
10 in the United States and other countries. It is time for
11 Delaware to return to its history. We were first in this
12 country and now Delaware must be a leader in safe energy
13 for you, for me, for our future.

14 Thanks.

15 THE HEARING OFFICER: After Michael
16 Rhue, we've got Nettie Green, Sterling Green, Wade
17 Starnes.

18 Michael Rhue, R-h-u-e.
19 MR. RHUE: Hi. I'm Michael Rhue. I'm a
20 private citizen. I'm a draftsman by trade and I'm a
21 practical environmentalist. There has been a lot said
22 about the health and environmental benefits. I'll not
23 speak on that.

24 The News Journal headlines, to

1295

1 paraphrase, said the wind doesn't always blow, and I'll
2 follow that up with the sun doesn't always shine. And
3 that sounds funny, but it's something we have to accept
4 when we're dealing with alternate energy. It always
5 requires some type of backup system. But, you know,
6 we've been hesitant.

7 I grew up in the '70s. And at that time
8 my parents bought a Texas Instrument calculator. It was
9 probably \$150. I can now go into Wal-Mart and buy that
10 same calculator that does twice as much for 9.95.

11 At the same time, we were also entering
12 into the alternate energy field, but the problem is that
13 there is no public use of alternate energy at the scale
14 that it needs to be. And if you're not putting money
15 into the alternate energy, than how do you expect the
16 price to go down?

17 Technology can only be researched so
18 much on a drawing board. You have to have working
19 operable plants in order to work out the bugs on it. You
20 know, you can have a bunch of people sitting in a closed
21 room. They're not going to be able to figure out what a
22 blade that's out in the middle of the ocean 12 miles away
23 is going to do because it's mother nature. You know,
24 there are things that have to be worked out.

1296

1 But I don't know in your analysis if you
2 took it into account. I can't tell you what the price of
3 coal is going to be in 30 years. I can't tell you what
4 the price of gas is going to be in 30 years. I can tell
5 you what the price of wind is going to be in 30 years.
6 It's free. The sun is free.

7 Why are we sending people to the moon
8 but we can't utilize the resources that God gave us and
9 are already there? So we're suffering from our own
10 stupidity.

11 And I don't want to be sitting here
12 another 30 years from now and we've run out of coal,
13 we've run out of gas, and then somebody is scratching
14 their head, well, what can we do now, you know. And the
15 alternate technology will still be at the same level they
16 were back in the '70s.

17 I can pick up a catalog now and it costs
18 \$10,000 for one kilowatt. I have a 3-bedroom ranch home
19 that cost me \$200,000 to run electric in my house. And
20 what's the reason for that? Business does not want us to
21 go into technology that they can't add a fuel cost to
22 your bill.

23 And I know darn well that Delmarva
24 Power, if they buy fuel for \$2.50 a gallon, which doesn't
1297

1 include the billions of dollars they're spending in
2 Iraq -- if they buy it for 2.50, they're not selling it
3 to me for 2.50. They're selling it to me at a markup.
4 So, you know, I can understand why Delmarva Power, as a
5 business, does not support wind technology, because they
6 can't jack up the fuel price on it.

7 Thank you.

8 THE HEARING OFFICER: Nettie Green.
9 That's G-r-e-e-n.

10 MS. GREEN: Yes. Thank you for letting
11 me speak.

12 I'm a retired teacher. I'm Nettie
13 Green, and I'm a new grandmother. Global warming is not
14 a pipe dream. I'm very much in favor of wind power. I
15 feel that from what we've learned that we have so much
16 wind that we can supply the state's power, as well as us.

17 I do own -- I'm from Virginia
18 originally. And I own land where we have benefitted from
19 coal being mined from our land. I'm willing to not see
20 this kind of thing. I'm willing to pay more for
21 electricity if we can have wind power. I think there
22 will be jobs. There's going to be lots of jobs if we set
23 up all those turbines out in the ocean.

24 I'm just wondering -- I know we don't
1298

1 know everything about wind power. But are we willing to
2 take the risk? Are we willing to be first? Are we
3 willing to be the first study? Are we willing to give it

4 a try? It makes sense, as the gentleman just said.

5 I don't know what SOS is. What's SOS?

6 And that's not a rhetorical question.

7 MR. FINFROCK: It's standard offer
8 service. It's the service that Delmarva provides to
9 customers who don't choose other suppliers to service
10 them.

11 MS. GREEN: Okay. Thank you very much.

12 THE HEARING OFFICER: Sterling Green.

13 MR. GREEN: Good evening. Thank you for
14 this meeting and for allowing me to speak.

15 I want to speak very personally. My
16 wife just talked about being a new grandmother, and we
17 have two 6-month-old granddaughters. And that has
18 changed my life in terms of how I see things. And I'm
19 here primarily to represent them, because I feel that
20 there's so much in this world that threatens them. You
21 know, after hearing that they were going to be born, I
22 was ecstatic, and then within a few hours, I was saying,
23 oh, my God, what world are they coming into? And there's
24 so much that I cannot control in that. But I can be here
1299

1 because I feel that this issue is a very real issue that
2 can affect children of that age and the girl that spoke
3 before and many others.

4 I'm here also to represent my sister and
5 my brother-in-law, who are the only two -- my other
6 sisters have died. And both my sister and my
7 brother-in-law are tethered to breathing machines. And I
8 just know how limiting that is for their lives. And I
9 just would like to do anything I can to keep others from
10 having to experience that limitation.

11 And I feel that the option is before us.
12 Particularly, the wind option is one that can clean the
13 environment and not pollute and allow both those young
14 babies to grow up in a healthy environment, as well as
15 preventing others from having be tethered to those
16 machines.

17 I am also here as a member of a social
18 justice task force from our church. Others may speak
19 about this as well. And we believe that this is a
20 justice issue, that this is a religious issue. It is a
21 spiritual issue, because it's the quality of life. It

22 has to do with creation. It has to do with protecting
23 God's gift to us of this earth.

24 And the social principles of the United
1300

1 Methodist Church, which is the largest protestant
2 denomination in this area -- I would like to quote with
3 this in close: We wholeheartedly support the
4 conservation of energy and responsible development of all
5 energy resources with special concern for the development
6 of renewable energy sources that the goodness of the
7 earth may be affirmed. I believe that we have the
8 technology to do it. I guess what I'm concerned about is
9 if we have the will.

10 Thank you.

11 THE HEARING OFFICER: After Wave
12 Starnes, we have Audrey McMeekin, John Stewart, Pat
13 Coluzzi. And this is Wave Starnes, S-t-a-r-n-e-s.

14 MS. STARNES: Maybe it's interesting
15 that my name is Wave and I am for those waves. That's
16 sort of the new energy that some people are talking
17 about.

18 I guess -- I'm a five-year resident of
19 Sussex County. And so I guess that means in some ways I
20 don't count. But I live here. And I was shocked to
21 discover that I lived in one of the most polluted areas
22 and that the power plant at Indian River -- and I love
23 the Indian River area -- was one of the greatest
24 polluters, not just in the state but in the nation.

1301

1 Those were frightening discoveries to me.

2 And then when I looked at the study that
3 was done, I discovered that you had not used the criteria
4 of looking at that problem at all. You only looked at
5 the cost. I'm sorry. If you're going to look at the
6 cost, you've got to count the health costs, because the
7 health costs related to cancer are much greater and
8 should be considered as part of the cost.

9 And so I'm asking that, since you didn't
10 accept any of the proposals -- and as I understand it,
11 the Public Commission did not and Delmarva did not. Then
12 go back to the drawing board and look at the health costs
13 as well and then listen to the young man who spoke just a
14 few persons ago and said we need to expand that. We need

15 to do something about finding out about using alternative
16 sources of energy.

17 And last of all, I came here with the
18 determination that we will close down the plant that is
19 so polluting and replace it because it cannot -- we
20 cannot continue to harm our citizens in this way.

21 THE HEARING OFFICER: Audrey McMeekin.

22 MS. MC MEEKIN: I would like to
23 relinquish my time.

24 THE HEARING OFFICER: John Stewart,
1302

1 S-t-e-w-a-r-t.

2 After Mr. Stewart we have Pat Coluzzi,
3 Ms. Rosin and then Richard Sciorra.

4 And this is John Stewart.

5 MR. STEWART: My name is John Stewart.
6 I live in Lewes. I have been a resident of Delaware all
7 my life. I'm a retirement mechanical contractor. For 27
8 years I have looked at bids. I have looked at job
9 proposals, drawings, specifications, safety and whatever
10 else is involved in the bidding process. And I think I
11 have pretty good experience of what it is to look at a
12 proposal.

13 I did go to the meeting on wind
14 generation in Rehoboth in January. And the meeting, I'm
15 sorry to say, was a lot of rhetoric and not much on fact.
16 The Bluewater Wind, at the beginning of the meeting,
17 stated that the Chrysler plant in Newark would be looked
18 upon as a possible site for manufacturing wind
19 generators. At the end of the meeting, about an hour
20 later, the same speaker said that they would probably be
21 manufactured back in Denmark. Well, there goes the jobs
22 for Delaware people.

23 He also stated that the proposals that
24 they were looking at in the Delaware Bay, the Atlantic
1303

1 Ocean, was 7 to 12 miles out of Rehoboth and Bethany.
2 Well, they weren't aware of the Coastal Zone Act. I
3 think anybody who has been involved for any amount of
4 time realizes there is an act that prohibits industrial
5 construction along the coast. And I'm beginning to
6 wonder if these companies have done their homework.

7 And a couple of weeks later we read in

8 the paper -- I read in the paper, The News Journal, that
9 the proposed site now, instead of -- was out 25 miles and
10 that the port for all the work was going to come from
11 Wilmington. Well, there goes the jobs for Sussex County
12 people.

13 I have to wonder if Bluewater has
14 really, really done their homework. And one thing I've
15 learned after all these years in business is that if a
16 user or an owner does not do their homework, does not
17 spend the money on putting a bid out that's accurate,
18 it's going to cost somebody a lot of money at the end and
19 probably end up in a lawsuit.

20 I have nothing against alternate forms
21 of energy, but I do think the Public Service Commission
22 has -- and Delmarva Power has to look and evaluate these
23 bids with accurate information so that the cost is not
24 turned over to the consumer at the end.

1304

1 Thank you for having me.

2 THE HEARING OFFICER: Pat Coluzzi.

3 That's C-o-l-u-z-z-i.

4 MS. COLUZZI: My name is Pat Coluzzi. I
5 am a commissioner at the City of Rehoboth Planning
6 Commission, and I am a candidate for City Commission and
7 the City of Rehoboth.

8 I think, talking about the costs, while
9 cost is important, it's time to protect the citizens of
10 Sussex County. The NRG Indian River Power Plant releases
11 the most toxic chemicals of any facility in Delaware --
12 almost 2 million pounds per year. We don't need another
13 coal power plant polluting our environment, harming our
14 citizens and contributing to global warming.

15 Right now Delaware has an opportunity to
16 do the right thing. Health and human safety has to be
17 the number one priority. It is critical to our future
18 and future generations. Continuing to support power
19 plants that release toxic chemicals into our environment
20 will endanger all of our lives from disease and loss of
21 habitat. Yes, the town that you live in could very well
22 be underwater in the not too distant future.

23 But Delaware has a choice, a unique
24 opportunity to be a leader on a national scale. Delaware

1305

1 can choose to lead the fight against pollution and global
2 warming. The time is now. Choose the Bluewater proposal
3 and support wind power.

4 Thank you.

5 THE HEARING OFFICER: Ms. Rosin. It's
6 R-o-s-i-n. And could you say your first name?

7 MS. ROSIN: Nadyne, N-a-d-y-n-e.

8 THE HEARING OFFICER: Thank you.

9 MS. ROSIN: This conversation we're
10 having here tonight is probably being repeated in about
11 50 of the states. I'm been on the web just going through
12 newspapers looking for articles.

13 And the Washington Post just this
14 weekend had an article on "Midwest Has 'Coal Rush,'
15 Seeing No Alternative." The most interesting thing about
16 the article was they were talking about the energy
17 department. And the energy department has suggested that
18 as many as 150 new coal-fired plants could be built by
19 2030. And most of these plants are going to be built in
20 the Midwest.

21 Now, one of the reasons they brought
22 this up is because they're saying basically the price of
23 coal is going to go up. The price of building the coal
24 plant is going to go up. And the price of maintaining a
1306

1 coal plant is going to go up because of the demand for
2 engineers and for facilities.

3 So while you're talking about cost, you
4 really should take into account what's happening in the
5 other states and what's happening to what it's going to
6 do to the cost of the NRG plant for the future.

7 Another article that was coming in was
8 the cleaner -- New York Times at the end of February:
9 "Cleaner Coal is Attracting Some Doubts." What they're
10 doing is talking about coal gasification. And basically
11 they're saying that the coal gasification plants, if they
12 add the carbon attacher, after being built will reduce
13 energy output by 30 percent -- up to 30 percent.

14 So, one, they don't know if it works.
15 Two, they don't know what the impact on the amount of
16 energy that comes out is. Plus, they also add
17 exponentially to the cost of building a coal plant. I'd
18 like to put these two articles in the record.

19 Thank you.

20 THE HEARING OFFICER: Mr. Sciorra,
21 S-c-i-o-r-r-a.

22 MR. SCIORRA: Good evening. My name is
23 Richard Sciorra, and I reside in the Lewes, Delaware ZIP
24 code. I'm a 77-year-old cancer survivor, and I have two
1307

1 points I'd like to make.

2 First is that presently I'm paying more
3 voluntarily on my electric bill to purchase green power.
4 I believe that, if everybody in this room who paid an
5 electric bill through a company that could provide green
6 power, the older-fashioned power companies would realize
7 that there's an outcry and something has to be done.
8 That's the first point that I would like to make.

9 The second is that, as a survivor of
10 cancer, I cannot afford to breathe in any more unpure
11 air. And I know from listening to the people who work at
12 the plant that they are as healthy as anybody else in the
13 room. But there are those of us who succumbed to some of
14 those problems. And to prevent it from spreading to
15 everyone else, I would like to support wind power and
16 clean up the coal-burning and gas-burning power plants.

17 Thank you.

18 THE HEARING OFFICER: Ms. Walls? You've
19 got a question mark next to your name.

20 SPEAKER: Yeah. I had a question mark.

21 THE HEARING OFFICER: Okay. After
22 Ms. Walls --

23 MS. WALLS: It really was a question
24 mark.

1308

1 THE HEARING OFFICER: Well, thank you
2 for coming up. Wait. After Ms. Walls will be -- a lot
3 of nos. Wait one second -- Beth Isaacs, Scott Muir,
4 Chris Preston.

5 And, Ms. Walls, can you tell us your
6 first name?

7 MS. WALLS: Gloria. Yeah. I don't
8 write very well.

9 I didn't really want to come up to
10 speak, but I have to say that, after Mr. David Walsh, who
11 was the trade union spokesperson spoke and ran, I did not

12 really appreciate that he implied that only the trade
13 unions, plumbers and pipefitters work in Delaware. I
14 work for a living too. I work every day. I live here.
15 I breathe here. And I realize those people have jobs at
16 stake, but it seems to me, if we're going to stick a
17 whole bunch of windmills out in the ocean, there's going
18 to be more jobs. So I don't think they should just look
19 at that.

20 We need to do something different. We
21 need clean, renewable energy. I'm a strong supporter of
22 the windmills. I'm not a rocket -- he implied also that
23 the rest of us are activists or academics. I'm not a
24 rocket scientist. I work for a living, and I haven't
1309

1 been arrested at any protest marches. Ever, actually.

2 A VOICE: Shame on you.

3 MS. WALLS: I really hope that the
4 Commission would look in favor of the windmills. I don't
5 trust Delmarva. I don't really feel that they're in my
6 best interest, financially or otherwise. You are a
7 business. I want clean, renewable energy.

8 And I'm also grateful that Arnetta
9 McRae, Joann Conaway, Jeffrey Clark, Bruce Burkat and
10 Philip Cherry are here. I'm glad you're here.

11 Thank you.

12 THE HEARING OFFICER: And Jay Lester.

13 I accidentally skipped a couple of
14 question marks here. This first one -- I can't read the
15 last name, but there's a Dorothy who put a question mark.

16 A VOICE: Yes. I'd like to speak.

17 THE HEARING OFFICER: Okay. How about
18 if you go next? Since this young lady is up here right
19 know.

20 A VOICE: That's fine.

21 THE HEARING OFFICER: Oh, okay. All
22 right. If you could spell your last name, Dorothy.

23 MS. CIRELLI: Sure. My last name is
24 spelled C-i-r-e-l-l-i.

1310

1 And I just wanted to go on record that I
2 support wind power for all of the reasons stated here
3 this evening. We've been -- or I've been listening
4 intently to people saying who has data and who doesn't

5 and whose data is more reliable.

6 Several weeks ago I happened to see a
7 movie featuring Al Gore, and I do believe the data he
8 showed in the movie. And it was quite significant. And
9 the thing that struck me was that we basically have about
10 40 years to undue or to start to reverse the damage that
11 has resulted from our reliance on fossil fuels. So I
12 don't care if it's Bluewater, but I think Delaware
13 officials have a responsibility to find a company who can
14 provide energy that won't pollute the air and put us and
15 our future generations at risk.

16 THE HEARING OFFICER: After
17 Ms. Isaacs -- I did skip another question mark. Barbara
18 Glazar, if you want to speak, you'll be after Ms. Isaacs.
19 But right now we've got Beth Isaacs. And I believe
20 that's I-s-a-a-c-s.

21 MS. ISAACS: Yes. Thank you.

22 As many of you know, Delaware has the
23 dubious distinction of getting the grade of F for ozone
24 by the American Lung Association. When fossil fuels,
1311

1 such as coal and natural gas, are burned, their
2 particulates create ground level ozone. Ozone causes
3 many health problems. Asthma is just one of them. How
4 many little children must our state continue to sentence
5 to carrying around inhalers to try to manage their
6 frightening lung disease? How many of those children or
7 adults, for that matter, will our state's toxic air keep
8 sending to the emergency room? Inhalers do not always
9 work. Asthmatics become all too familiar with hospitals.

10 If the bid of Bluewater Wind is
11 approved -- and I sincerely hope it will be -- our state
12 could become the nation's leader in offshore clean wind
13 farms. And think how many new businesses Delaware
14 hopefully would attract if our air actually became safe
15 to breathe.

16 Thank you.

17 THE HEARING OFFICER: All right. Does
18 Barbara Glazar want to speak?

19 MS. GLAZAR: I choose not to.

20 THE HEARING OFFICER: And Scott Muir,
21 M-u-i-r.

22 MR. MUIR: I spoke previously.

23 THE HEARING OFFICER: Okay. I'll put an
24 asterisk here. We've got Chris Preston and then Thomas
1312

1 Sullivan and then Carol Dobson.

2 Chris Preston, P-r-e-s-t-o-n.

3 MR. PRESTON: Thank you.

4 And God bless America for having this
5 meeting. I'm glad that we can explain our views. And
6 God bless our soldiers in Iraq. They're in everybody's
7 prayers.

8 And I'm speaking for my family. I live
9 in Delmar, Delaware. My wife teaches high school at
10 Delmar High School. And progressively, we built a new
11 school in Delmar. We paid the taxes for it.
12 Approximately five years ago we finished it. And it's an
13 ongoing situation with the power grid. They're having
14 brownouts every year. It's a brand new school. And we
15 can't depend on Delmarva Power to supply the power to
16 keep the school running, which means our children will
17 suffer in the long run if we don't have the power to
18 supply our schools or buildings or offices.

19 I'm in full support of a plan that will
20 get our biggest bang for our buck, and that is a power
21 generation station, which is NRG. Wind production -- I'm
22 all for free environment from pollution. This -- the new
23 plant they're proposing is very efficient. If anybody
24 does the studies on it, they know it is. I've worked in
1313

1 that plant, Unit 1 and Unit 2, the oldest plants, and
2 they are the dirtiest. And myself and my family put the
3 NRG plant on the first term.

4 I also had a question for the Delmarva
5 Power, gentleman. You're a Pepco Holdings Incorporated.
6 Is that true?

7 MR. FINFROCK: That is correct, yes.

8 MR. PRESTON: Pepco Holdings has other
9 facilities outside of the State of Delaware and Maryland.

10 MR. FINFROCK: That is correct. And so
11 does Delmarva.

12 MR. PRESTON: Delmarva.

13 So if none of these proposals are
14 considered, say NRG, the windmill or the gasification
15 plant, that means that Delmarva will possibly buy their

16 own power from their own source, which is Pepco
17 powerhouses. Is that true?

18 MR. FINFROCK: No. The way the process
19 works is there's an auction. And it's a competitive
20 auction. And whoever participates as the supplier in
21 that auction would be the -- and the best price in that
22 supply would be the one servicing Delmarva.

23 MR. PRESTON: So it doesn't matter where
24 it -- the chemical could come within Pepco or it could be
1314

1 outside of Pepco. Correct?

2 MR. FINFROCK: It could come from within
3 or out.

4 MR. PRESTON: Okay. Thank you.

5 THE HEARING OFFICER: Thomas Sullivan,
6 S-u-l-l-i-v-a-n.

7 MR. SULLIVAN: Thank you.

8 In this county --

9 (The comment was interrupted.)

10 MR. SULLIVAN: -- the NRG company is a
11 primary source of --

12 THE HEARING OFFICER: Mr. Sullivan, I'm
13 sorry to interrupt you. I'll start your time over again.

14 But really, you got to turn off your
15 phones, please. You cell phones, turn them off.

16 Mr. Sullivan, please go ahead.

17 MR. SULLIVAN: In this county the NRG
18 company is the primary source of the electrical supply.
19 The record of this company with respect to clean energy
20 and the amount of pollutants that pushes into the air and
21 the river has been abysmal.

22 I am familiar with the SO2 and stack gas
23 odors. When the wind direction from their plant is such
24 that my location under those atmospheric conditions is in
1315

1 a direct line with it, my wife, who has asthma and
2 allergies, has great difficulty breathing. My doctor
3 tells me not to eat one fish from the Indian River.

4 Up in the northern part of the state,
5 there is a large industrial plant who was forced by the
6 state to live up to the state regulations, and they
7 installed -- and created plenty of jobs. They installed
8 stack gas scrubbers. They're currently living up to

9 that, and they're meeting state standards. NRG does not
10 have stack gas scrubbers. And before they generate one
11 more milli-amp of additional electricity, they should not
12 be allowed unless they install stack gas scrubbers.

13 Burocrome (phonetic) is only one of the
14 polluting elements emanating from this facility. The
15 generating plant has been recognized as a cause of high
16 concentration of lead in the river. There are other
17 metals considered harmful to one's health in the river
18 also.

19 I contacted the state pollution people
20 and was told that -- after I had a problem getting a hold
21 of someone to talk to, I asked them to check on the day
22 that my wife had a problem breathing what their record
23 showed. And they told me we don't have any.

24 I said, well, can't you check? What do

1316

1 you do?

2 They said, well, it's a self-regulating
3 arrangement. If they pollute, then they have to tell us
4 about it.

5 That raises questions.

6 So, anyway, presently the effort to
7 built a larger additional generating plant in the
8 location deserves showing a detailed quantitative
9 analysis. How good is their claim that natural gas life
10 is much better than what they're burning now? If it's
11 just a little bit better, than the quantitative analysis
12 of a cubic foot of it is going to be less. But there
13 will be vast amounts of more pollutants going into the
14 atmosphere and hurting -- harming the health of our
15 people in the community and harming the people who go to
16 a restaurant and buy a fish.

17 So anyway, if the new fuel burning is
18 only the slightest bit cleaner, then it will be a little
19 bit better. And that's a smokescreen. For my wife and
20 I, there is only one solution, and that is wind.

21 Thank you for the opportunity to express
22 our views. It is sad that recently recommendations of
23 the PSC concerning Delaware citizen's wishes on
24 deregulation were ignored by our legislators.

1317

1 Thank you.

2 THE HEARING OFFICER: All right. We've
3 got Carol Dobson, Willett Kempton.

4 MR. KEMPTON: Kempton spoke in
5 Wilmington.

6 THE HEARING OFFICER: Thank you.

7 MR. KEMPTON: But I'd like to speak
8 tonight, if possible.

9 THE HEARING OFFICER: Okay. I'll mark
10 you under that category. And so that means after Carol
11 Dobson will be Tony Plechnik.

12 MS. DOBSON: I spoke previously, but I
13 would like to speak tonight also.

14 THE HEARING OFFICER: I got you.
15 How about Tony Plechnik?

16 You're up.

17 MR. PIECHNIK: Oh.

18 THE HEARING OFFICER: And after
19 Mr. Plechnik, we'll have Burr Monroe, Cameron Haughey.

20 And I believe this is -- let me get this
21 spelling -- P-l-e-c-h-n-i-k.

22 MR. PIECHNIK: P-i-e-c-h-n-i-k. It's an
23 Irish name, but we dropped the O.

24 Thank you for this opportunity to make
1318

1 these impromptu remarks. I was taking a look at the Cape
2 Gazette this weekend and reading all about the various
3 intricate ways of evaluating power plants. And please
4 know that average people like myself don't have a clue as
5 to what you're talking about and what the parameters are.

6 But then I thought I would read this
7 article. Toxic release inventory 2005 numbers are down.
8 From 2005 they dropped 18 percent compared to 2004, and
9 from 2004 to 1998, they dropped 29 percent. And in 2005
10 the comments were that the coal that was being used was
11 much cleaner. And it didn't really specify as to what
12 was much cleaner about the coal. I wondered about
13 mercury and sulfuric acid and chlorine and that type of
14 thing.

15 And then today the bill comes in. So I
16 wanted to see what I get for my \$190 budgeted amount on a
17 monthly basis. What kind of air do I get to breathe?
18 And I was thinking about how could I see the air I
19 breathe. Take the filter out of the furnace. So I did

20 do that. And this is what the filter looks like out of
21 my new York furnace air conditioner (indicating).
22 I thought I'd stop at Ace and show you
23 what the filter looked like six weeks ago. I'm not sure
24 what's on this filter. I wish we could have it analyzed.
1319

1 But it's a little bit scary. And that's something for me
2 to say, because I grew up in the coal mine fields of
3 Western Pennsylvania and lived in Pittsburgh for many,
4 many years. By the way, there's no more soot and
5 pollution in Pittsburgh. The businesses are gone.

6 So I guess what I'd like to say is
7 please give me a system that will eliminate this kind of
8 a phenomenon. I'd like to breathe air that I can't see.

9 Thank you.

10 A VOICE: Can you submit those filters
11 for the record?

12 THE HEARING OFFICER: So marked. No.
13 Burr Monroe. That's M-o-n-r-o-e. And
14 first name Burr, B-u-r-r.

15 MR. MONROE: You got it.

16 I'd like to put on the record that I
17 don't accept either bid evaluation and that is on the
18 fact that there are no points awarded to health. I do,
19 however, understand that environmental pollutants are
20 connected to our health, and I believe that one couldn't
21 argue that statement. So, therefore, I can't see how any
22 bid that emits pollutants can score any points for
23 environmental impact. I would like to see how these
24 points were awarded. That being said, I would like to
1320

1 express my support for Bluewater Wind.

2 THE HEARING OFFICER: Cameron Haughey,
3 H-a-u-g-h-e-y.

4 MR. HAUGHEY: Good evening.

5 My name is Cameron Haughey, spelled
6 H-a-u-g-h-e-y. I just wanted to go on the record to say
7 I'm in full support of wind power, and it's time for a
8 change. Thank you very much.

9 THE HEARING OFFICER: All right. Joe
10 Sexton.

11 MR. SEXTON: Good afternoon, gentlemen.

12 This is the first meeting I've been to

13 about Conectiv, Bluewater and NRG. Now, me, I don't
14 think there's no research development in this wind power.
15 And I can't see where if you even went with wind power --
16 and the hurricane storms or ice storms or anything
17 that -- you couldn't probably supply Rehoboth Beach. I
18 mean, if we're having blackouts and stuff like that,
19 occasionally, NRG comes around for hospitals and stuff
20 like that. I'd rather stick with NRG.

21 In France they have a hundred nuclear
22 power plants -- 120. In the United States we got a
23 little bit over a hundred. They're self-sufficient.
24 They don't need to depend on the Arabs at all. When the
1321

1 Arabs cuts us off for oil, what are we going to do? I
2 mean, if it gets any worse -- we're going to war in Iraq.
3 I mean, this is all real. This is nothing to mess around
4 with. But we got coal. We've got 600 years of coal in
5 the ground right now. And you're talking about wiping a
6 power plant out.

7 I'm 59-year-old. I was born and raised
8 in Delaware. I live closer to that power plant than
9 probably anybody in this room. My father and mother is
10 89, 88. And every one of her brothers and sisters --
11 every one of them lived 94-year-old, not a sickness in
12 the family.

13 Most of all the out-of-stater people
14 come in from Jersey, Pennsylvania. Most of them bring
15 their cancer and sickness with them. That's a fact.
16 Don't laugh up here. I'm telling you the truth. I'm
17 telling you nicely. That's a fact. They bring all
18 disease down here. And they come back here and tell us
19 how to run our state. And I'm just telling you the
20 truth. If we don't support that power plant, NRG, we're
21 going to fail.

22 The moment that we go in the war with
23 Iran, it's going to get worser before any better. If
24 they cut off the oil and you people that don't have air
1322

1 condition -- I'm on a breathing machine myself. I'm not
2 the healthiest person in the world. We're blaming -- why
3 can't we all work together? We're blaming everybody from
4 one end of Delaware to the other end.

5 And I think this wind power is a bunch

6 of baloney. It's going to cost us several billion
7 dollars, and you're going to want the State of Delaware
8 to bail you out if it fails. That's all it is. It's all
9 about money. But we still got to go with what is real in
10 the past. The power plants has been here. I can't say
11 why they can't maybe have both, but we need a new power
12 plant or something better than what we have. And it's
13 not windmills. This Bluewater stuff to me right now is
14 just malarkey.

15 Now, the stuff I told you about
16 cancer -- I told you about my dad and mom. But a few
17 years ago we tried solar panels. That didn't work.
18 Where is that at? I ain't heard a word mentioned about
19 solar panels. It doesn't work. It doesn't work no more
20 than these power plants. It may have run Rehoboth or
21 Bethany Beach, but it will not run Delaware. If you did
22 try to do it out there, you'd probably have 20,000 out
23 there.

24 I'm sorry. I think you people ought to
1323

1 think twice about what we're doing, because we're on the
2 brink of war. I go to church. And there's more toxins
3 from a cigarette in a person's mouth. I seen 20 or 30
4 outside of the methodist church like you say you went to
5 up there in Millsboro sucking cigarettes and killing
6 themselves. Poison your own lives. That's the worse
7 habit in Delaware -- people smoking.

8 THE HEARING OFFICER: All right. Wrap
9 it up.

10 MR. SEXTON: That's it.

11 THE HEARING OFFICER: All right. Thank
12 you.

13 All right. We've got Matt Messina and
14 then Mark Engle, Patricia Gearity, Doug Druliner.

15 Matt Messina, M-e-s-s-i-n-a.

16 MR. MESSINA: Good evening.

17 I wasn't planning on speaking, but I
18 decided to sign up. The people that were in favor of the
19 coal plants say that coal plants are environmentally
20 friendly and clean coal technology is the technology of
21 the future. This may be true that the methods of burning
22 are getting better, but what about the methods in which
23 coal is being extracted? I mean, we don't see it here in

24 Delaware. It's not being extracted here. But I lived in
1324

1 West Virginia for four years, and I did a lot of research
2 on mountain top removal. And the habitat destruction due
3 to mountain top removal is a huge problem. And we must
4 lower our dependence on coal and move towards renewable
5 wind power.

6 I want to go on record saying for
7 Bluewater.

8 THE HEARING OFFICER: Mark Engle,
9 E-n-g-l-e.

10 MR. ENGLE: Good evening.

11 Thank you for the opportunity to speak
12 to you. I am from out of state. I'm from Central
13 Wisconsin. I have come very healthy. And I will say,
14 however -- I will say, however, that my wife is a
15 lifelong resident of Dewey Beach. And now we live right
16 over behind Baywood Greens. And she's had a lot of
17 health issues over her lifetime and been to doctor to
18 doctor. And it finally came out that she has mercury
19 poisoning. And my two children, both my boys -- one is
20 12 and one is 16. Both of them have elevated mercury
21 levels in their body as well. I was tested. I don't
22 have that.

23 And I would say the only place that this
24 could come from -- the only place -- is from unabated
1325

1 mercury coming out of smoke stacks from that Indian River
2 Power Plant. And I would say this: That of all of the
3 thousands of dollars -- and it's been thousands that I
4 spent on medical bills for my wife -- the chelation
5 treatments, the extra tutoring for my oldest son, who has
6 severe learning disabilities, because one of the best
7 ways for a woman to detoxify in childbirth is to push out
8 the fetus. She has -- he has very high mercury levels.
9 I'm not saying I can point directly at the Indian River
10 Power Plant and say this is where it came from. But I
11 know one thing: I don't have high mercury. My wife
12 does. She's lived right under the smoke stacks of the
13 power plant.

14 I'm saying we need to clean this place
15 up. We need to at least get some scrubbers on the old
16 one. We need to move towards wind power. We need to

17 clean it up. It has directly affected my life. I can't
18 even begin to tell you how the health issues have
19 ramifications in my life, in my children and with my
20 wife.

21 And so I'm here tonight to say we've got
22 to clean that power plant up, close it down, do what we
23 need to, move toward something that is more beneficial to
24 our health.

1326

1 Thank you.

2 THE HEARING OFFICER: We have Patricia
3 Gearity, then Doug Druliner, than Coralie Pryde.

4 MS. GEARITY: I think the name is
5 Gearity. And I spoke before. So if you'll put a star by
6 my name.

7 THE HEARING OFFICER: Okay. Thank you.
8 Doug Druliner.

9 MR. DRULINER: I did speak before also.

10 THE HEARING OFFICER: Okay.

11 MS. PRYDE: I'm Coralie Pryde. I also
12 spoke in Wilmington.

13 THE HEARING OFFICER: All right. I got
14 Alan Muller.

15 MR. MULLER: I am here but I have also
16 spoke.

17 THE HEARING OFFICER: Okay. We might be
18 almost ready to go back to the beginning.

19 All right. Is there anybody who has --
20 who wants to speak tonight who has not spoken yet?
21 because now I'm going to get back to the beginning.

22 A VOICE: I'm not signed up.

23 THE HEARING OFFICER: Well, come on up.
24 Just give us your name. If you could spell your last

1327

1 name.

2 MS. MORALES: My name is Barbara
3 Morales, M-o-r-a-l-e-s.

4 Anyway, first I want to state that I'm
5 not an employee, nor am I related to anyone who works for
6 Conectiv or NRG. I'm just a citizen and a resident of
7 Delaware, and I really feel strongly that you, as a
8 Commission, have a responsibility to protect and serve
9 me, one of the citizens. And much like a doctor, your

10 first should be to do no harm.

11 I also want clean, renewable energy. I
12 want an energy source that won't make me sick or hurt the
13 environment on which we all depend to survive. I find it
14 interesting that NRG keeps defending where they rank
15 among the dirtiest plants in the United States. Wind
16 power, however, will never have that problem.

17 I did drive a car here, but I don't
18 recall any public transportation to get me to the
19 university. We need to start somewhere. And I think the
20 right thing to do is clean, renewable energy. However,
21 the challenge here is to do the brave thing, and the
22 brave thing to do is to be -- is to do the right thing
23 first.

24 Thank you.

1328

1 THE HEARING OFFICER: Thank you.

2 All right. Ms. Frey, I do have you
3 marked as someone who wants to speak, but the next
4 category are going to be the people who told me that they
5 spoke at other meetings. And I believe that starts with
6 Mike Dennis, D-e-n-n-i-s.

7 MR. DENNIS: My name is Mike Dennis.
8 I'm from IBEW Local 1307. I represent employees for
9 Delmarva and for NRG, Choptank Electric, A&M Electric.
10 I'm also a retired resident of Dagsboro and formerly
11 retired from Delmarva and NRG -- or formerly employed.

12 I want to go back and touch on a couple
13 of points that have been brought up just to make some
14 comments. Around the compliance issues, it keeps being
15 said that the plants are not meeting compliances and
16 they're telling lies or misrepresenting the
17 self-monitoring statistics. It was part of my job when I
18 worked there to work on the equipment that monitors that,
19 and that's one of the best maintained pieces of equipment
20 in that plant for a very good reason. And I take offense
21 to saying that those monitoring in a self-mode are
22 somewhat deceptive or insinuating that they're deceptive.
23 They are not. That plant has met all state and federal
24 compliance issues to date.

1329

1 Unfortunately, years ago we didn't have
2 those standards in place, and that plant was a bad

3 polluter. I worked there back in '69. I can attest to
4 that. It's gotten a lot better every single year since
5 we started doing a better job as a country with the
6 environment.

7 I'm not opposed to wind power, nor is
8 our local, nor is NRG. We simply cannot rely on wind
9 power as our primary source of power.

10 There was a gentleman that talked about
11 adding more Midwest coal plants. And that's true. There
12 is a movement on to do that. And adding those plants,
13 which are probably not going to be IGCC plants, which is,
14 unfortunately, the most new technology in trying to make
15 clean coal, which we all know it's not going to be clean.
16 But it's certainly cleaner than the way we do it today.

17 That's part of Delmarva and Bluewater's
18 reliance on market purchases. That's part of the area
19 where some of this power is going to come from. So if
20 they're burning fossil fuel plants by the hundreds in the
21 Midwest and they're on the grid to be purchased on the
22 open market and the dying wind affected the emissions or
23 pollutions that they're putting out, it's coming straight
24 to the East Coast.

1330

1 And half of the pollution that we're
2 measuring out here -- or not half -- I won't give you a
3 statistic. But a good deal of what we monitor in the air
4 and water and the soil around here can be attributed to
5 westerly winds from other much more polluted plants than
6 Indian River is or has been. And we get the heat for it.
7 I understand that. Everybody is passionate about this
8 thing. But that's a downfall of those plants being built
9 out there. And I think the IGC plant and the Indian
10 River facility is a better option than those plants out
11 there. It's clearly the most reliable power when we need
12 it, and I strongly recommend that you support that
13 agenda.

14 Thank you.

15 THE HEARING OFFICER: Okay. We need to
16 take a short break. When we come back, it will be Kim
17 Furtado, Gail Charnley and John Flaherty.

18 And, you know, I'm going to go ahead and
19 give you an option. If you want to speak without your
20 comments being transcribed, you can go ahead and speak

21 during those eight minutes, because I'm worried about
22 getting everybody done. But we're off the record right
23 now.

24 (A brief recess was taken.)

1331

1 - - - - -

2 THE HEARING OFFICER: Let's get started.

3 We have about 17 people left, and it is already 9:20.

4 I'm going to be a little bit stricter with the time

5 considerations from here on out.

6 All right. We are back on the record.

7 We have Kim Furtado, F-u-r-t-a-d-o. Please give

8 Ms. Furtado your respect and quiet. And please take your

9 seats. Thank you.

10 Ms. Furtado.

11 MS. FURTADO: Thank you for having me.

12 I have an opportunity to speak.

13 I work as a naturopathic physician, and

14 I see the suffering from chronic diseases firsthand. The

15 costs of cancer, heart disease, asthma, recurring

16 infections, chronic cough, special education needs and

17 autism are high. And these diseases are known to be and

18 documented to be associated with exposure to fossil fuel

19 pollution, such as coal emissions and solid waste.

20 When our society examines the economics

21 of power generation, we historically and consistently

22 ignore the hidden health care costs. These diseases are

23 a part of the cost of doing business with fossil fuels,

24 like coal and natural gas.

1332

1 My opinion is that the bid analysis

2 process also seems to be failing to include the hidden

3 costs. Real health care costs to our residents from

4 fossil fuel pollution are well documented within the

5 public testimony previously stated, but I want to share

6 with you publicly for the record some data that Citizens

7 for Clean Power submitted to you after we received it

8 from the Division of Public Health in January. Of note,

9 I am resubmitting all of this data and my subsequent

10 commentary on it because it has come to my attention that

11 the PSC website has failed to include it as part of the

12 public docket. I will be happy to answer any questions

13 on this cancer data if you have them.

14 And I have a copy of specific references
15 that are in published medical literature that anyone who
16 actually does want to learn about the cancer risks of air
17 pollution can find on any PubMed search.

18 In January local Delaware cancer rate
19 data was examined by separating out the cases by the
20 patient's ZIP code in the areas surrounding the current
21 Indian River Power Plant. These ZIP codes include the
22 towns of Dagsboro, Frankford, Georgetown, Millsboro,
23 Ocean View and Selbyville. When we compare these rates
24 to the average five-year rates available, there was a
1333

1 2.7 (sic) higher rate of lung cancer per hundred thousand
2 cases in the residents who lived near the plant. And
3 there was a 70.8 higher rate of all cancers per hundred
4 thousand cases in the residents. We find this
5 preliminary data alarming, and it warrants further
6 research before any further long-term investments into
7 fossil fuel power for this state.

8 If you take the health care costs of one
9 case of cancer -- and recognize that these high rates are
10 just preliminary data -- but that risk warrants further
11 investigation, you could still find some economic
12 relevance to our discussion here.

13 Multiply that health care cost for
14 cancer care by even a small fraction of the higher rates
15 of cancer that were preliminarily examined and you would
16 have a clear picture of the high costs that Delawareans
17 pay to do business with coal and fossil fuels.

18 The reality of this process hit home for
19 me last week at the hearing in Dover. As I watched all
20 the persons with affiliations or past relationships with
21 coal-based power testify, it finally struck me how deeply
22 this process is really about short-term concerns about
23 money. Yet even though Delaware has been hit hard with
24 rising electricity bills, the Delaware public has
1334

1 overwhelmingly supported the sustainable and disease-free
2 Bluewater Wind bid.

3 THE HEARING OFFICER: Time to wrap up.

4 MS. FURTADO: Okay. I'm going to share
5 with you some economic information. I am not an
6 economist. I am not a policy maker. But in my spare

7 reading about building a sustainable future, a
8 sustainable economic future for our world, it relies on
9 us acknowledging that entrenched industry that has
10 interests and has business plans and certain
11 infrastructure that does not include a sustainable wind
12 or other power sources need to have some accommodations.

13 One of the quotes here is that
14 restructuring energy economy is troublesome because doing
15 so typically depends on small industries challenging
16 large, well-established, often heavily-subsidized
17 industries.

18 THE HEARING OFFICER: All right. You've
19 got to conclude.

20 MS. FURTADO: One way to separate what
21 is needed is to adopt full cost pricing requiring those
22 giving energy pay the full cost of doing so.

23 I am going to ask for some leniency for
24 one moment. These are my closing remarks.

1335

1 The reality hit me also yesterday when I
2 revisited the story of David and Goliath. I always knew
3 there was a metaphor in this process, but what I
4 remembered is that David had an overwhelming problem in
5 front of him of Goliath. And you may make that metaphor
6 be the coal power industries or just pollution at any
7 rate. People are overwhelmed by that. They get
8 stagnated into apathy or disinterest or just paralyzed
9 into no action. So I encourage --

10 THE HEARING OFFICER: I can get back to
11 you again at the end.

12 MS. FURTADO: Okay.

13 THE HEARING OFFICER: But I've cut other
14 people off way before this. But I'll get back to you if
15 we have time at the end.

16 Gail Charnley, C-h-a-r-n-l-e-y.

17 MS. CHARNLEY: Gail Charnley, yes.
18 Thank you.

19 Good evening. I am here this evening on
20 behalf of Americans for Balanced Energy Choices which is
21 a nonprofit organization whose members support clean
22 modern coal technology as an important part including
23 towards our country's energy independence. I'm basing my
24 testimony tonight on my Ph.D. in toxicology and my 30

1336

1 years of experience studying the relationships between
2 environmental exposures and health.

3 I am not here to support any particular
4 choice in terms of where you get your electricity, but I
5 think that, as you consider the three alternatives before
6 you, it's important to be able to include accurate
7 scientific information, not the Internet, in your
8 analyses.

9 And there are a number of rumors in
10 particular that the -- I want to address just two of them
11 tonight. The first is mercury. Most of the mercury that
12 comes out of the power plant goes into the upper
13 atmosphere. Some deposits locally, but most of the
14 mercury that deposits in Delaware comes from the Midwest
15 and from Asia.

16 To pose a health threat, mercury from
17 any source has to get into water bodies, be converted
18 into methyl mercury by microorganisms and be taken out by
19 fish. Then someone has to catch and eat enough of those
20 particular contaminated fish to accumulate high levels of
21 methyl mercury.

22 Most of the mercury we're exposed to in
23 the U.S. comes from cans of tuna and from super --
24 imported supermarket fish which are not impacted by U.S.

1337

1 power plants. In fact, the amount of mercury in tuna,
2 for example, has not changed over the last hundred years
3 despite the greatly increased emissions of mercury to the
4 environment from industrial sources.

5 There is no evidence that people who
6 live near power plants are exposed to more methyl mercury
7 than people who don't, and the Centers for Disease
8 Control has tested the blood of women throughout the
9 United States and found that their mercury levels are
10 much lower than any levels potentially associated with
11 effects in children.

12 The second issue is cancer. Despite all
13 the stories that seem to be floating around the Internet,
14 the weight of the scientific evidence does not support a
15 connection between coal-fired power plants and cancer.
16 About a third of us will get cancer, and about a quarter
17 of us will die from it.

18 EPA has estimated that cancer risks due
19 to pollutants from power plants that burn coal is so
20 small it can't be detected. About 90 percent of the
21 particles emitted from coal-fired -- coal-burning power
22 plants is in the form of sulfate and nitrate salts that
23 no one considers to be cancer-causing.

24 Sussex County has never been out of the
1338

1 chain link with EPA's health-based limit on particle
2 pollution, and the data being put forth in support of the
3 allegation that people near the Indian River plant have
4 more cancer than people further away do not in fact
5 support that association when evaluated critically. And
6 I'd be happy to provide more information on that in my
7 written comments. And, of course, further investigation
8 is always a good idea.

9 My written testimony will include
10 citations to scientific literature to support my
11 statements. Thank you for your attention. And best of
12 luck in your difficult search for the best source of
13 electricity in Delaware.

14 By the way, I do support considering
15 health costs and benefits of different technologies as
16 part of your decision-making process.

17 THE HEARING OFFICER: All right. We'll
18 going to have John Flaherty and then John Austin, then
19 Bill Zam, then Joe Schorah.

20 John Flaherty.

21 MR. FLAHERTY: I'm John Flaherty.

22 Three things: Number one, I support the
23 wind project. Number two, if possible, I would like to
24 see it built by union labor. And three, with all due

1339

1 respect to the previous speaker, I would like to enter
2 this document into the record. It's title is "Cancer:
3 Coal's Hidden Cost." The risk of getting cancer from
4 coal ash lagoons is 10,000 times greater than government
5 safety standards allow according to a draft report from
6 the Environmental Protection Agency. So I just want to
7 enter that into the record.

8 Thank you.

9 THE HEARING OFFICER: Thank you.

10 John Austin, A-u-s-t-i-n.

11 MR. AUSTIN: My name is John Austin.

12 For 34 years I was a scientist for the

13 GRAMA Protection Agency until my retirement in 2004. I

14 represented the agency on the EPA's mercury task force,

15 and I was a representative for that task force for the

16 Environmental Protection Agency's offices of solid waste

17 emergency response. And I take deep exceptions to the

18 previous speaker, Mrs. Charnley's remarks.

19 First, a Center for Disease Control

20 study found that 6 percent of the women in America have

21 blood mercury levels at levels above the RFD. That means

22 that they are at some risk of adverse effects to

23 themselves and to their children.

24 Autism is a very debilitating

1340

1 disability. It's rare. It can easily be confused with

2 mercury poisoning. There are three forms of mercury in

3 the environment -- elemental mercury, methyl mercury and

4 mercury inorganic salts. A power plant puts out

5 elemental mercury and mercury salts.

6 Once they're in the environment,

7 bacteria readily converts them to methyl mercury. It's a

8 myth that exposure to fish is the only pathway for

9 exposure to methyl mercury. It can be formed in your

10 stomach from bacteria. It can be formed in the yard from

11 the salts that land there. And every moment we're

12 sitting here breathing and licking our lips, we are

13 ingesting mercury from the plant because it is in the

14 dust. It's in the air here.

15 There's a lot of data I have before me,

16 but her remarks said that can't find the state's results

17 on autism, can't find this, can't find that. This is a

18 myth; that's a myth. Autism is a disability paid for by

19 State of Delaware funds. The state keeps very good

20 records of where all its money goes.

21 Let me read from my prepared remarks was

22 that the number of autistic children in Delaware has

23 risen from 261 in 1997 to 417 in 2003, while nationally

24 in 1995 it was 1 in 2,500. Today recent studies say it's

1341

1 1 in 150. Here in Sussex County we are above the

2 national average in autism. The rates here are 1 in 134

3 or at 7.4 per thousand.

4 With regard to cancer, in order to have
5 accurate projections of cancer rates, the rates are given
6 in rates per hundred thousand. So you need to study a
7 population of about that size for the most accurate
8 results.

9 Dr. Furtado, when she asked the health
10 department to do a study, picked six ZIP codes. The
11 population of those six ZIP codes in 2000 was over
12 54,000, 34 percent of the county. That's enough for a
13 very accurate estimate of the cancer rate.

14 We've asked the state council -- cancer
15 council to do an exhaustive study, but we cannot fail to
16 ask for the state health department to get involved in
17 this process. But it's true they have been missing in
18 action as an advocate for public health. We live in a
19 litigious society, and someday those who have been
20 injured will seek damages. Already the State of
21 North Carolina has filed a lawsuit against TDA and
22 New Jersey against Pennsylvania. For some reason they
23 left out Delaware.

24 THE HEARING OFFICER: Try to conclude.
1342

1 MR. AUSTIN: I will.

2 However, in the end, coal power, like
3 tobacco, may be forced to pay the cost of Medicare for
4 those who have been injured. And those hidden costs we
5 have all been harping on will come back to the corporate
6 line or a court of the law.

7 Thank you. I'll give you my remarks.

8 THE HEARING OFFICER: Bill Zam.

9 Afterwards we got Joe Schorah and
10 Mr. Yetter, if he falls under this category, and then
11 Doug Netting.

12 So Mr. Zam, Z-a-m.

13 MR. ZAK: My name is Zak, Z-a-k.

14 THE HEARING OFFICER: I'm sorry.

15 MR. ZAK: That's fine.

16 I represent Citizens For Clean Power.

17 In Dover I spoke against the
18 appropriateness of the Conectiv bid. Today it's coal. A
19 misnamed "clean coal" facility at Indian River will
20 continue to poison Delaware's citizens. NRG has offered
21 no apology, expressed no regret, nor offered any monetary

22 reparation of the enormous health care and health care
23 costs the state's taxpayers daily pay to subsidize this
24 corporation's profiteering.

1343

1 Coal gasification does represent a
2 substantial improvement in pollution control with coal.
3 Were there no other choice available, we would accept it.
4 But it should not be sold to us suckers as "clean coal."
5 There is no such thing.

6 The new 580 megawatt unit will pump
7 millions of pounds of toxins into our air annually. The
8 new combined facility, even with Stacks 1 and 2 closed,
9 which incidentally are the smallest, will have increased
10 capacity to approximately 1200 megawatts. Should DNREC's
11 recent pollution control regulations at the old plant
12 weather NRG's appeal attempts and the improved IGCC unit
13 be added to the mix, despite pollution reductions, Indian
14 River will remain, with Edgemoor and Wilmington, the
15 worst polluting source in the state by far, nearly half
16 the state's entire industrial output in fact.

17 I just read in the paper this week that
18 as of this year the report was that those two plants
19 produce 73 percent of the industrial pollution in the
20 state last year. So any talk from NRG officials about
21 how they have improved along the way, yes, by taking
22 mini, mini, mini steps, when for years and years they had
23 an opportunity to modernize those grandfathered plants,
24 in the spirit of the law, which they and the previous

1344

1 owners defied, they have not done so. Only when
2 pressured and forced with a modest regulation will they
3 be asked to clean up for the first time in 50 years. And
4 even that they and others are appealing. And we don't
5 know if they're going to take that to Superior Court or
6 not. But in any case, I don't -- I cannot believe that
7 individuals can come up here that work for that company
8 and declare that their environmental record is good.

9 This means business as usual: More
10 childhood asthma, neurological impairment, sudden infant
11 death syndrome and respiratory death in infants -- 27 and
12 40 percent higher, respectively, near our coal plants.

13 NRG touts IGCC as a means of addressing
14 the global warming problem, but the CO2 capture and

15 sequestration are presently only wishful thinking. We do
16 not presently know their feasibility nor the extent of
17 the supplemental cost to implement them down the road.

18 THE HEARING OFFICER: Wrap it up.

19 MR. ZAK: Well, I want to talk some more
20 at the end, if possible.

21 THE HEARING OFFICER: Okay. That's
22 fine.

23 MR. ZAK: Thank you.

24 THE HEARING OFFICER: Joe Schorah,
1345

1 S-c-h-o-r-a-h.

2 MR. SCHORAH: Thank you, Mr. Chairman.

3 My name is Joseph Schorah. I'm the
4 business agent for the sheet metal workers Local 19 of
5 Delaware. I'm a resident of Bear, and I have a small
6 beach place in Millsboro.

7 The initiative of this committee was to
8 find initial power to help reduce costs because of last
9 year's unheard of 50 percent electrical power increase by
10 Conectiv. I would like to say I proudly support the NRG
11 project at the Millsboro powerhouse. I think it help
12 reduce cost by the principles of supply and demand: The
13 more supply, the cheaper the cost.

14 The Millsboro powerhouse is in operation
15 now. And with a 250-year supply of coal, it will
16 probably be running for years to come with modifications.
17 So why not support a business that is willing to work on
18 reducing emissions by 60 percent, double our output of
19 electricity by 100 percent, help the Town of Millsboro by
20 savings millions of dollars in cost by having their
21 wastewater treatment by piping it to the facility and
22 reusing it to cool their plant, not counting the new
23 permanent higher paying jobs and tax revenue brought to
24 the state by this and only this project.

1346

1 I don't believe Delmarva is looking at
2 NRG's proposal very seriously because of the huge impact
3 it will have on their facility. I mean, Conectiv's
4 facility.

5 If the state should reduce the carbon
6 emissions and spend millions of dollars to do so for the
7 future of everyone's children, isn't this part of what

8 everyone here wants to reduce -- carbon emissions and
9 reduce costs?

10 Delmarva's rating of the three projects
11 is not in the best interest of the people of Delaware but
12 is in the interest of Conectiv. Throughout this process
13 of these meetings, I have continued to hear arguments for
14 the Bluewater project. The best scenario I've heard
15 presented to us is that windmills were supplying 50
16 percent of the electric in areas where they have had
17 windmills for years. So that means some other course is
18 continuing to power the other 50 percent of electricity.
19 Probably coal or natural gas or both.

20 So my point is this: Windmills are a
21 start, but they do not calculate into reduction of
22 emissions as does the NRG proposal does.

23 As for the Bluewater project, it might
24 sound good. It might make some people feel that they're
1347

1 helping our atmosphere for the future, which it might.
2 But this project does nothing to reduce the carbon issues
3 of today. I believe with the articles reported in The
4 News Journal this past week about the major decline in
5 the population of several different species of fish in
6 our Delaware water is the last thing I think we need to
7 do is tear up 30 square miles of seabed to put these
8 monster concrete columns in to support these large
9 windmills.

10 In conclusion, the Conectiv and
11 Bluewater plans don't help the existing emission problems
12 of today or bring stabilization for the future cost of
13 electric to the people of Delaware. This may not be an
14 easy choice, but what you do does have an impact on the
15 future of Delaware and the whole planet.

16 Thank you for your time.

17 THE HEARING OFFICER: All right. Did
18 Mr. Yetter want to speak?

19 Okay. How about Doug Netting,
20 N-e-t-i-n-g? And then if Audrey McMeekin wants to
21 speak --

22 MS. MC MEEKIN: I decline.

23 THE HEARING OFFICER: Okay. And then
24 we're going to have Scott Muir and then Jeremy Firestone.

1348

1 And this is Doug Netting, N-e-t-t-i-n-g.

2 MR. NETTING: That's right.

3 I work at the Indian River Power Plant.

4 Thank you again for the opportunity to

5 spoke. Some thoughts come. And may we all live long
6 enough to see our sons and daughters grow and realize our
7 dreams, because we all know our world is not without
8 risk. And when I look at my son, I am often overwhelmed
9 wondering how I'm going to protect him from it all --
10 that first fall and splat, the dreaded flu, the school
11 dance rejection, the loss of hair -- many scary things.
12 But power from the coal is just not one of them.

13 I know the challenges of making

14 electricity and the use of using it. And every day I at
15 least can be a part of trying to meet the power needs of
16 the state in as efficient, clean and cost-effective way I
17 can in accordance with the current laws of the state.
18 But what about you?

19 Maybe Delmarva and the PSC staff are a

20 little confused. If people think wind power is so great,
21 where are the windmills. I've heard how mature the
22 technology is, proven in many of our states and in
23 foreign countries. So what's the holdup? Neither I, nor
24 NRG, or even Delmarva is stopping you.

1349

1 There's land available. Well, at least

2 there was yesterday. And supposedly, all these
3 supporters willing to spend more for renewable
4 electricity. So why haven't you bought yourself a
5 windmill or two, put them up, run yourself a big old
6 power cable to the nearest utility park and do your part
7 to save our world?

8 If wind is the cheap, over the long run,

9 of course, clean, ultimate and cheap, which they tell me
10 it is, then it is a no-risk, no-brainer guaranteed money
11 in the bank investment. But maybe you'd rather not have
12 one of those things in your backyard. Better to hide it
13 out in the ocean. Maybe you're not so sure it's going to
14 pay off. Better let all the Delmarva customers pay for
15 it if it fails. And maybe you want to conveniently
16 forget that it can't serve any of the customers by
17 itself -- IGE-based load.

18 Without proper support and backup power

19 from some other plant somewhere, as long as it isn't near
20 you, I guess that doesn't matter. Let those people deal
21 with it. Proud of yourselves now.

22 So I will continue to work doing my part
23 to produce the electricity we all consume so I can pay
24 for those diapers, future broken windows, broken bones,
1350

1 broken cars, oh boy. As scary as those things are, what
2 I really worry about is whether this state, this country,
3 will invest in technologies that will provide for our
4 ever-growing need for electricity while minimizing the
5 environmental impact in doing so and, in the process,
6 stabilize the cost to the consumer -- the whole reason we
7 are here in the first place.

8 Thank you.

9 THE HEARING OFFICER: Scott Muir,
10 M-u-i-r. And then Jeremy Firestone and then Carol
11 Dobson.

12 MR. MUIR: Thank you, Your Honor. Good
13 evening, gentlemen.

14 Back again to -- on behalf of Norfolk
15 Southern Corporation. I'm an employee of Norfolk
16 Southern. It may not be an operating subsidiary. It is
17 a freight railroad company. And tonight I'm here on
18 behalf of NS to urge you, the Commission, as well as the
19 state analysts, to address the exceptions that were
20 raised by NRG that might make it -- the review more
21 favorable and that the NRG IGCC plant may become more
22 competitive in the rankings that you currently have.

23 We have two reasons at NS to urge this.
24 One reason is that our operating railroad here in -- on
1351

1 the Delmarva used to be Conrail. Before that it was the
2 Pennsylvania Railroad. And for us we have a fairly
3 static base of customers here on the Delmarva.

4 And coal is good business to us, and NRG
5 is an excellent customer for us. In order for us to
6 maintain our railroad system here, which is everything
7 from safe ties and rails and new and modern locomotives
8 and safe rolling stock is that we have to have 14 percent
9 of our profits that we can plow back into the
10 infrastructure. That's one reason why Norfolk Southern
11 hopes that cleaner coal technology, like the IGCC

12 plant -- so we can have an opportunity to bring it online
13 here in Delaware. I will be very proud of that.

14 Delaware is part of the regional base that I represent.

15 And also NS supplies coal to a number of
16 coal-fired power plants throughout the United States east
17 of the Mississippi. As several people said tonight, it's
18 an important part of the base load electricity that we
19 all get and we all depend on when we stick a plug into
20 the wall.

21 So I appreciate your time. Thank you.

22 And we hope you support NRG.

23 THE HEARING OFFICER: Jeremy Firestone,
24 F-i-r-e-s-t-o-n-e.

1352

1 MR. FIRESTONE: Thank you very much.

2 The first time I spoke I spoke on the
3 rating process. The second time I spoke I spoke about
4 Delmarva. Tonight I'm going to talk a little bit about
5 the bids, but mostly about what I think it means to be a
6 public servant and what it means for the eight
7 individuals who have a difficult decision in front of
8 them.

9 Before I became a professor -- I got my
10 Ph.D. -- I was a government employee for the federal
11 government in the State of Michigan. I was an
12 enforcement lawyer. And being a government servant is
13 hard. It's real hard. And I admire all of you who are
14 doing the hard work.

15 Politics comes into play all the time.
16 People try to find easy ways out. I ultimately -- part
17 of the reason I left my job as an enforcement lawyer is I
18 was often looked at by upper management as the villain,
19 because I saw my job as enforcing the law as they were
20 written, not as someone else wanted them enforced, not to
21 cut deals or corners, not to find easy ways out but to
22 try to do the right thing and do the people's business
23 and to rise above all the noise on the outside.

24 My thought for all of you who are at

1353

1 this large difficult decision before you -- it's quite
2 simple. If you feel there's a bid that will add to price
3 stability, that will reduce environmental impacts, that's
4 innovative -- those are the three touchstones of the

5 bill -- and it's cost effective -- again, by "cost
6 effective" we don't mean that it's going to cost less
7 than existing power. It means is that enough of an
8 insurance premium in our future health, in our future
9 prices. That even if it does cost more -- and I don't
10 submit that all of the bids necessarily do when we
11 properly factor in carbon -- and we probably factor in
12 health impacts -- then I think we all know -- and I think
13 you know what you need to do and what you ought to do.
14 And I know it's going to be difficult, but I hope you'll
15 follow your conscience and do the right thing.

16 Thank you.

17 THE HEARING OFFICER: Carol Dobson and
18 then Willett Kempton and then Patricia Gearity.

19 Carol Dobson, D-o-b-s-o-n.

20 MS. DOBSON: Yes.

21 My name is Carol Dobson. I live in
22 Angola by the Bay, which is a community near Long Neck
23 not very far from here. I was born and raised, and I've
24 lived most of my life in Sussex County. I'm an aunt, a
1354

1 great-aunt and a retired Delaware schoolteacher. I'm
2 also a member of Green Delaware and Citizens For Clean
3 Power.

4 As a nation, our country has failed to
5 limit pollution from coal combustion waste. This failure
6 has produced approximately 129 million tons of waste each
7 year. In 2004 there was a study done on the amount of
8 coal ash generated by each state. Delaware generated
9 121,000 short tons of which only 24 short tons, or
10 20 percent, was determined to be used beneficially. This
11 means that 80 percent of Delaware's coal ash was allowed
12 to harm the public and the environment with toxic
13 chemicals, such as mercury, arsenic, lead, cadmium,
14 cromion and selenium -- all known contributors to cancer.

15 A new EPA risk assessment referred to
16 previously by John Flaherty made public by Earth Justice
17 Organization finds extraordinary cancer risks from coal
18 ash, the combustion waste generated by coal burning power
19 plants. This new finding reveals that the risk is 10,000
20 times greater for developing cancer from coal ash than
21 the present government safety standards allow. This
22 means that the EPA's regulatory goals for reducing cancer

23 risks are grossly inadequate for limiting the exposure
24 and protecting the public against the health threats of
1355

1 America's second largest solid waste stream -- coal ash.
2 These new findings are more than
3 frightening -- they are disastrous. Right now at this
4 stage of the process we, the citizens of Delaware, find
5 ourselves demanding that our Public Service Commission
6 require redacted information be provided about emission
7 levels and full disclosure of the contents of the
8 proposals. We find out that the EPA's current
9 regulations allow for a cancer risk that is 10,000 times
10 greater than what had been thought.

11 I have a friend, a water woman, who
12 crabs every day she can during crabbing season who lives
13 in River Bend development three-quarters mile up river of
14 the Indian River Power Plant on the same side of the
15 river as the power plant. She couldn't be here tonight,
16 and she asked me to tell you her experience with coal
17 ash. She said that she had no idea that she would have
18 black dust and how much of it she would be breathing. In
19 the winter with windows shut, she can see black soot
20 inside her house on window sills on the top -- the back
21 top of the toilet tank in her bathroom and on her mini
22 blinds.

23 THE HEARING OFFICER: Wrap it up.

24 MS. DOBSON: In the summer it's much
1356

1 worse with the windows open. One summer evening she
2 heard an explosion in the middle of the night. And when
3 no fire alarm went off, she wondered if it was the power
4 plant. The entire next week there was four times the
5 amount of soot as usual.

6 THE HEARING OFFICER: All right. We
7 need to get to the next person.

8 MS. DOBSON: I'd like to finish this.

9 THE HEARING OFFICER: Mr. Kempton.
10 That's W-i-l-l-e-t-t K-e-m-p-t-o-n. That is Dr. Kempton.

11 DR. KEMPTON: Thanks very much.

12 I'd just like to correct the record. I
13 heard today that academics don't work for a living and
14 want to put other people out of work. And I am an
15 academic. And I think I've been working 60 hours a week

16 for as long as I can remember. And most of the time I'm
17 doing research on new technology to provide more jobs for
18 American workers and Delaware workers.

19 So let me just address workers from the
20 power plant. I admire your loyalty, and I appreciate
21 that you're coming out to participate in the public
22 process. As a Delaware power user, I also appreciate you
23 and the people that came before who have been providing
24 electricity for this state for over 50 years. I use that
1357

1 electricity. And I also appreciate that you have
2 complied with regulations.

3 I hope that you can also see that
4 there's things we know about power now that we didn't
5 know when those plants were built, and I hope you can
6 hear the -- you know, the people who have been affected
7 by pollution without feeling like it's your fault,
8 because it isn't. We didn't know.

9 And we do need to keep the lights on.
10 We just can't turn off the power plants right away. And
11 if we build a wind facility, we're still going to keep
12 the power plants running because it is, as many of you
13 mentioned, going to be needed at the times when there's
14 low amounts of wind. But what it will do right off the
15 bat, when you first start running a wind facility, it
16 will be using less fossil fuels. It will be putting less
17 particulates and toxins in the air. It will have an
18 immediate health benefit.

19 This is not an issue of coal versus no
20 jobs. Wind will provide about one and a half times --
21 one and a half jobs -- one and a half times as many jobs
22 per megawatt hour as existing fossil plants. And the
23 proposed single wind facility is smaller in terms of
24 average megawatt hour output. It will be about equal or
1358

1 maybe a few less jobs for that one facility. But if we
2 build a 600 megawatt wind farm off Delaware, we will have
3 used 3 percent of Delaware's wind resources.

4 Now, we may decide we don't like
5 offshore wind or it really isn't a lot. We may make
6 mistakes. We may decide that's the only one we want.
7 But I don't think that's going to be true. You look
8 everywhere else in the world that's making technological

9 advances. They are expanding wind very rapidly.

10 I think there's going to be a lot of
11 jobs building a facility like this every couple of years,
12 and that's going to mean a lot more jobs. There's no way
13 that we're going to build a coal plant every two years.
14 There's just no plausible sense from rail supply to
15 mountaintop removal to the remaining CO2 out there after
16 the amount that's been -- that we can't remove from it.

17 Let me just address briefly the
18 Commission. I want to say thank you to the Commissioners
19 and Mr. Cherry for coming and going late with all these
20 long-winded people, like myself, listening to people and
21 all the different perspectives. You're really a
22 dedicated public servant. And I extend that to staff
23 too, although they may have been made to come.

24 Let me just quickly address the

1359

1 Commission and say please pick a bid, whatever one it is.
2 Don't turn it back to the legislators. They have given
3 you the choice. And I'll bet you'll make a better
4 choice -- you and the staff. And you, as Commissioners,
5 will make a better choice than the legislature. Let me
6 urge you to pick one of these bids.

7 And without going into detail, let me
8 just ask a question: Is this fair to SOS customers? It
9 was put on the SOS customers, not everybody. I believe
10 that the base price is wrong, and I hope staff can
11 analyze that there's a discrepancy between \$111 per
12 megawatt hour that we see on our bills and the 87 which
13 is the stated base price. But even if it's correct, it's
14 a \$5 dollar per month increment. And we have surveyed
15 Delmarva customers. Eighty-nine percent of SOS customers
16 would prefer to have clean wind power --

17 THE HEARING OFFICER: All right.

18 DR. KEMPTON: -- even if it costs \$5 per
19 month more. So this is not a fairness issue for SOS
20 customers.

21 Just one last sentence: Let me also
22 appeal to you. As far as delaying making a decision now,
23 each year the state has certified that 95 people died
24 each year from particulates alone. That's not including

1360

1 asthma, cancers and so forth. You've heard some of the

2 victims of this. So that means -- I mean, I'll give you
3 the numbers in writing. But that means that delaying
4 220 megawatts of new wind power is going to kill 11
5 people per year. There is a cost to delay. And there is
6 a cost in deaths, asthma and cancers. I don't know
7 whether it's in autism as well. But there is a real cost
8 to delay.

9 Thank you very much.

10 THE HEARING OFFICER: Thank you.

11 Patricia Gearity, G-e-a-r-i-t-y.

12 MS. GEARITY: That's correct.

13 Thank you for giving me the opportunity
14 to speak.

15 Mr. Clark, where are you?

16 Mr. Clark, thank you for coming,
17 especially from your distance. I understand you have a
18 bad back tonight.

19 Ms. McCrae, where are you?

20 Thank you for coming, ma'am.

21 And thank you, Mrs. Conaway.

22 And I'm not sure if Mr. Lester is here,
23 but he deserves credit for coming twice. Here he is a
24 third time.

1361

1 And I'm sorry Mr. Winslow couldn't make
2 it. But I want to applaud all of you for your efforts
3 and for your dedication in hearing what the public has to
4 say.

5 I really am going to be brief, even
6 though I sound long-winded. I am especially concerned at
7 this point because I heard something today in listening
8 to some radio personality interviewing some senators in
9 our area that there is worry that the PSC is going to
10 essentially punt this decision and send it back to the
11 legislature and that certain litigation, which has either
12 threatened or filed, may result in a complete stall of
13 this process. And I think the people have spoken so
14 loudly and clearly. And we are in fact almost begging
15 you all to please make a decision. Look at the merits.
16 Look at the law. The law tells you what the criteria
17 are. It talks to you about the need for diversity. It
18 talks to you about the need for environmental -- for a
19 good environmental source. And you can do that. And I

20 know you can do that. And I challenge you because you're
21 being called at a very important time in Delaware's
22 history. I know you can -- I know that you can rise to
23 that challenge. I know you can.

24 And I thank you.

1362

1 THE HEARING OFFICER: Thank you.

2 We've got about four people still signed
3 up who haven't spoken tonight, and that's not counting
4 the people who I've cut off. I'm going to keep going. I
5 hope you'll try to limit if. If you can get it down to
6 two minutes, that would be great. We can get all four of
7 you in. The four people are Doug Druliner, Coralie
8 Pryde, Alan Muller -- I guess there might be three.

9 Doug Druliner, D-r-u-l-i-n-e-r.

10 We're going to follow that with Coralie
11 Pryde and then Alan Muller.

12 MR. DRULINER: Thank you for letting me
13 speak. I will keep this very brief. And I'll turn in a
14 two-page statement and only read the last paragraph or
15 so.

16 I'm a member of the Coalition for
17 Climate Change Study and Action. I'm concerned about the
18 global warming problems. We've all heard about health
19 effects and the dangers of increasing CO2 in the
20 environment which occurs in billions of metric tons a
21 year around the world.

22 I am speaking in favor of the wind power
23 option. Last but not least, Delaware is blessed with an
24 abundant renewable energy resource in the form of

1363

1 offshore wind -- enough to supply all of our needs for
2 electricity. The technology is proven. It's growing by
3 30 percent a year round the world. And we have several
4 different major facilities in the United States. Denmark
5 already gets 20 percent of its power from wind, most of
6 it offshore. And in the light of a possible closing of
7 the Chrysler plant, Delaware could be the first state to
8 install significant offshore wind power and start a major
9 wind turbine manufacturing industry to supply turbines up
10 and down the whole East Coast.

11 Wind power is the only clean source, and
12 we have a bid to begin with. I would just urge the PSC

13 to take all of the sincere requests in mind made tonight.
14 In particular, let the public know all of the redacted
15 information and take the health care and environmental
16 costs into account. All that is lacking is leaders with
17 vision and courage.

18 Thank you.

19 THE HEARING OFFICER: How do you
20 pronounce your name?

21 MR. HOWATT: It's Coralie,
22 C-o-r-a-l-i-e, Pryde.

23 I think you've heard from a number of
24 people here that this upcoming decision is a very

1364

1 important one. It's going to affect all of us in
2 Delaware, not just in the next 25 years but really for
3 decades to come. It's going to affect us all financially
4 in terms of our health and the environment and in terms
5 of global warming when we find out if Delaware can really
6 be the first state to be one-third under water.

7 John Flaherty's presence here tonight
8 reminded me this is sunshine week. This is the week that
9 we're all reminded that the public's business should be
10 carried out in front of the public and for the public's
11 best interest, and I think these hearings are a very good
12 step in that direction.

13 What I hope is that you will continue
14 that and even rectify some of the failures -- that we
15 would like to see more information on the bids. We'd
16 like to know about redacted information, like a better
17 understanding of why environmental concerns weren't
18 really reflected in the criteria. I'd like a better
19 understanding myself of why under Delmarva's power rules
20 I'm paying the price for getting gas electricity where in
21 fact I'm really getting coal electricity and seeing
22 people downstate suffering the health consequences from
23 that.

24 I do believe that we should try and go

1365

1 to wind power. It's something that Delaware is uniquely
2 equipped to do. And we should go for it. And I believe
3 in a very short time we will go from being one of the
4 more expensive types of power to the cheapest ones
5 available when we consider the real environmental costs.

6 Thank you.

7 THE HEARING OFFICER: Alan Muller,

8 M-u-l-l-e-r.

9 MR. MULLER: Mr. O'Brien, members of the

10 Commission, this is not the first time we've heard from

11 me in connection with this docket. And it's a very

12 unusual one in many ways -- the involvement of four

13 agencies, the high degree of public interest.

14 But I do think there's serious problems

15 with the process that you're following -- the lack of

16 transparency in the way the four agencies work together

17 to come up with the evaluations; the absence of a process

18 by which people could exchange information in detail; the

19 fact that we're having these hearings that limit people

20 to three minutes; the fact that people have not been able

21 to address the Commission itself on related matters at

22 Commission meetings.

23 And I think this has produced a general

24 dissatisfaction with the evaluation process that you

1366

1 should try and rectify. I think almost all parties are

2 dissatisfied with it. So I would urge you, as you

3 continue in the next several months to work through this,

4 to find some way of opening the process up further. And

5 it's particularly important that the blacked-out

6 information, particularly that from NRG on costs and

7 emissions, be provided before the process is over rather

8 than afterwards.

9 I'm not going to go into any of the

10 technical material that I have here, but I want to hold

11 this up. This is a wind turbine blade, obviously. It's

12 representative of about a 1 kilowatt machine that would

13 have powered a single household in the U.S. Midwest in

14 the 1930s. The machines that are proposed to be

15 installed by Bluewater Wind are on the order of 3,000

16 times higher output than the machine that this blade

17 would fly on.

18 But this blade is actually a baby in the

19 history of wind electric generation which dates, to my

20 knowledge, to at least as far back as 1886 -- over 120

21 years ago. This is a technology that is not easy to

22 implement, but we have a lot of experience with it. We

23 understand the characteristics of wind power fairly well.

24 Clearly, they are different than coal and have to be

1367

1 taken into account.

2 But the bottom line for Green Delaware
3 in terms of what we've heard from our members is that
4 they feel very strongly that, aside from problems with
5 the process, they feel that this wind power bid should
6 move forward. And they feel very strongly that we should
7 see additional development of wind power and a phase-out
8 of coal generation in Delaware.

9 And I don't know where my time is now,
10 but I would like to comment on a statement made by the
11 gentleman who said he was the -- and I'm sure he is --
12 the plant manager at NRG about the appeals of the present
13 cleanup regulation. It was stated -- and this has been
14 stated repeatedly, including in front of the Commission
15 by NRG representatives, that they are only appealing the
16 timetable of the multipollutant cleanup regulation.
17 Well, that's not true. To be blunt about it, it's a lie.

18 And in evidence I offer the appeals that
19 have been filed by NRG in which they appeal almost every
20 element of the regulation. And I won't go into it, but I
21 will submit those for the record. And I'll ask you to
22 make sure they do go up on the docket website so people
23 can look at those appeals and see what NRG is appealing.

24 I guess that's enough out of me for now.

1368

1 Thank you for your attention.

2 THE HEARING OFFICER: All right. We
3 have to give up the room. We have -- what I've failed to
4 do is get to the people that I cut off and made sit down.
5 There's about five or six of you. Please feel free to
6 submit your comments in writing. You've got till
7 March 23rd. But we went about ten minutes over, and I
8 know we have to give up the room. So thank you very much
9 for coming. We are off the record.

10 (The hearing concluded at 10:10 p.m.
11 this same day.)

12 - - - - -

13

14

15

16

17
18
19
20
21
22
23
24
1369

C E R T I F I C A T E

2 STATE OF DELAWARE:

:

3 SUSSEX COUNTY :

4 I, Robert Wayne Wilcox, Jr., a Registered
5 Professional Reporter, within and for the County and
6 State aforesaid, do hereby certify that the foregoing
7 hearing was taken before me, pursuant to notice, at the
8 time and place indicated; that the statements of said
9 parties was correctly recorded in machine shorthand by me
10 and thereafter transcribed under my supervision with
11 computer-aided transcription; that the hearing is a true
12 record of the statements given by the parties; and that I
13 am neither of counsel nor kin to any party in said
14 action, nor interested in the outcome thereof.

15 WITNESS my hand and official seal this 17th day
16 of March A.D. 2007.

17
18

19 _____
ROBERT WAYNE WILCOX, JR.
20 REGISTERED PROFESSIONAL REPORTER
CERTIFICATION NO. 101-RPR
(Expires January 31, 2008)

21
22
23
24